

BOARD OF MAYOR AND ALDERMEN

May 17, 2005

7:30 PM

Mayor Baines called the meeting to order.

The Clerk called the roll.

Present: Aldermen Roy, Gatsas, Guinta, Sysyn, Osborne, Porter, O'Neil,
Lopez, Shea, DeVries, Garrity, Smith, Thibault, Forest

Ms. Lizabeth MacDonald, Principal of Weston Elementary School, offered a presentation on a series of paintings by 5th graders highlighting famous Manchester buildings, which will be on display in City Hall.

Ms. Lizabeth MacDonald stated I would like to ask the children to come down. I would like to thank you all for the opportunity to let the children share their art work underneath the guidance of our Art teachers, Mrs. Sweeney who is an absolute fabulous Art teacher. By the way, she is also the unanimous nomination by our school for our Manchester Educator Award on the 25th of May. She has cooperated with 5th grade teachers. This is a combination of history and our two-year poetry enrichment. There are poems that go with these artworks that describe the history of the buildings. They all chose unique buildings within the City, old and new, to depict and they did an absolute fabulous job. It is a real testament to cooperative and integrated education and I will let Mrs. Sweeney tell you a little more about the artwork since I have no artistic talent whatsoever.

Mrs. Sweeney stated I am just going to read to you a little bit of what took place to get to this point. I have 25 children with me here tonight and I actually did this project with about 125 children so it was difficult to pick but I brought 20-25 children tonight who were 5th graders and with the help of Mr. Scannell we made this a community art project. We turned it into a community art project. The kids drew. They painted. They wrote about some of Manchester's old and new architecture. It started out as a drawing and went to a painting and turned into a research project and a poetry project. They had to get their information from all different places. They got it from the computer. They got it from interviewing people and calling people at the buildings. They got it from the Manchester Historic Association and the Library. So we used all of the community resources that we could and we ended up here because of Mr. Scannell helping us to put this together. If you don't mind, I would like to read the children's names briefly. We have two children who aren't here tonight so I will read their names as well but we have Julianna Robidoux. She did the Library. We have Lauren Bannon who did the School Administration building. We have Ryan Anderson who did the Verizon. Trista Bouchard who did the Millyard. We have

Christopher Davidson who did the Currier Museum because his grandfather works there. We have Jacob Moralis who did St. Joseph's Cathedral. Kristen Cherkowski who did Central High School because her brother goes there. We have Alexander Lighter who did City Hall Plaza. MacKenzie White did the Webster Street Fire Station. Mikala Cleary did the Zimmerman House. Destiny De LaSantos did the Brady-Sullivan Tower where her mom works. Then we have Brad Merring who did the Airport. Alexander Boulet did Hillside School. Viviana Martinez did the Grace Episcopal Church. Bradley Ouellette did the JFK Coliseum. Maya Broulx did the old Amoskeag Schoolhouse. Patrick Cobin did a victorian house on Bay Street because he liked the architecture. Bridget Fitzpatrick did City Hall. Joe Biron did the Red Cross building. We have two more, Heather Dandurand and Olivia Troupakis. Thanks for having us and for having a special night for the children to show their work. We have more.

Mayor Baines stated this artwork is going to be on display on the wall of City Hall. It is a program that I started with the Art Commission a number of years ago to bring local artists into public buildings so we can celebrate their great artistic work and invite people and the community to come down and visit City Hall and look at the beautiful artwork of these students. I want to tell you that we are all very, very proud of you. Alderman Shea over here was an elementary school principal for many years. I was a principal and a lot of people that are in this room tonight...all of the people are very, very proud of what you do each and every day in our schools and you are 19 reasons why all of us have to continue to support what you do each and every day so that you have the best opportunities possible here in our public schools in Manchester. I am very, very proud of you. Congratulations. I would like to congratulate all of the parents for giving us such wonderful children to work with in our public schools as well. We salute all of the parents here tonight as well.

CONSENT AGENDA

Mayor Baines advised if you desire to remove any of the following items from the Consent Agenda, please so indicate. If none of the items are to be removed, one motion only will be taken at the conclusion of the presentation.

Accept Minutes

- A. Minutes of meetings of the Board of Mayor and Aldermen held on March 15, 2005 (two meetings) and March 16, 2005.

Approve under the Supervision of the Department of Highways

- B. PSNH Petition #11-1071 located on Massabesic Street; PSNH Petition #11-1072 located on Silver Street; and Verizon Petition #9AAVRX located on Putnam Street.

Informational – to be Received and Filed

- C. Minutes of the Mayor’s Utility Coordinating Committee meeting held on April 20, 2005.
- E. Communication from Tom Bowen, Director of Manchester Water Works, submitting the Water Works’ Financial Statements and Independent Auditor’s Report for 2004.

REFERRALS TO COMMITTEES

COMMITTEE ON FINANCE

- F. Resolutions:

“Amending the FY2001 & FY2005 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Three Hundred Fifty Thousand Dollars (\$350,000) for the FY2005 CIP 811705 MCAM Public Access Grant Project.”

“Authorizing the Finance Officer to Make Certain Budgetary Closings for the Year 2005.”

REPORTS OF COMMITTEES

COMMITTEE ON HUMAN RESOURCES

- G. Recommending that an Administrative Assistant II position (salary grade 13), funded by Enterprise funds, be established at the Airport.
- H. Recommending that an Internal Auditor position in the Finance Department be reclassified to an Accountant II with no change in salary grade.
- J. Advising that is has approved Ordinance:

“Amending Sections 33.024, 33.025 & 33.026 (Public Health Dental Assistant) of the Code of Ordinances of the City of Manchester.”

providing for the establishment of a new class specifications, Public Health Dental Assistant, and is recommending same be referred to the Committee on Bills on Second Reading for technical review.
- L. Advising that it has approved Ordinance:

“Amending Section 33.026 (Animal Control Officer I and Animal Control Officer II) of the Code of Ordinances of the City of Manchester.”

providing for changes in class specifications, which do not change the title of a position and do not provide for any changes in salary grades of such positions, and is forwarding same to the Board for adoption.

M. Advising that it has approved Ordinance:

“Amending Section 33.026 (Planner I) of the Code of Ordinances of the City of Manchester.”

providing for changes in class specifications, which do not change the title of a position and do not provide for any changes in salary grades of such positions, and is forwarding same to the Board for adoption.

COMMITTEE ON JOINT SCHOOL BUILDINGS

N. Advising that they have approved the expenditure of up to \$38,000 from the School Facilities Improvement Project contingency fund to paint the ceilings and walls in the Central High School gymnasium.

P. Advising that they have approved the expenditure of up to \$155,000 from the School Facilities Improvement Project contingency fund for the architectural and structural plans for Highland Goffs Falls and Parker Varney wall design.

Q. Advising that they have approved the expenditure of up to \$320,000 from the School Facilities Improvement Project contingency fund for the procurement and installation of two replacement boilers at Memorial High School.

HAVING READ THE CONSENT AGENDA, ON MOTION OF ALDERMAN O’NEIL, DULY SECONDED BY ALDERMAN THIBAUT, IT WAS VOTED THAT THE CONSENT AGENDA BE APPROVED.

D. Minutes of the MTA Commission meeting held on March 29, 2005 and the Financial and Ridership Reports for the month of March 2005.

Alderman Gatsas stated I was just wondering...I looked at the financial statements and I know I had a question that we talked about two weeks ago during the budget process and I don’t know if we will have an opportunity to bring it up or if people will be here when we have the discussions later on but I looked through the financials that were presented to us and nowhere in there do I find...

Mayor Baines called David Smith forward.

Alderman Gatsas stated I noticed that on your income statement that it shows roughly a year to date of about \$3,400 or \$3,500 in interest income. My question two weeks ago when we were going through the budget that nowhere on this financial statement do I see that reserve account that had \$1 million in it that we had discussion about last year so I don’t know if it has grown from anything that we had a discussion about last year or not and I think that it would only be appropriate that that would appear on the financial statements that you send us on a monthly basis. I know we had discussion about it last year when we were in the budget cycle and I am just trying to find out if that fund has grown at all in the meantime.

David Smith, MTA Director, stated to answer your question, Alderman, there is not a reserve account of \$1 million. If you look at our audited financial statements from last year you will see that the amount of cash at the end of the year was \$1,900,000. That account at the end of March was \$1,500,000 or in that range. It is constant. We operate two businesses as you know – transit and school. At the end of March the amount in the transit account in cash was \$621,000. We have a policy established by the Board to hold in reserve as working funds the amount equivalent of six months of federal draw down. In fact, we are currently waiting for a federal grant for FY2005, which began in October of last year. As well, \$300,000 in that account is restricted asset. It is an employee benefit account and in fact we expend sick pay when it is earned and draw down the federal funds. About half of that \$300,000 is actually federal money. On the school side the current cash at the end of March was \$427,531. We have a policy working fund of \$150,000. That is about one month's billing for the School District. In addition we have \$240,000 worth of school buses on order and radio system installation underway at about \$130,000. If you total all of those up, that is \$520,000 – in fact \$100,000 more than we had in the reserve at the end of March. During the end of the school year we earn charter income for extracurricular activities and we expect to make up that difference.

Alderman Gatsas stated if memory serves me right you said that there was \$240,000 in there for the purchase of buses.

Mr. Smith responded that is correct. For school buses this year.

Alderman Gatsas stated I think there was some conversation that the budget that was before us was including funds for new school buses. I think when the Mayor brought your current budget forward the talk about the funding we were giving you was inclusive for new school buses.

Mayor Baines responded we were talking about Step Saver buses.

Mr. Smith stated yes three new buses were purchased under the capital program. As well this year we are purchasing two cut away vans – one to replace a 1993 van and one for expansion. The budget the Mayor presented to you didn't include any school expenses. That is transit only.

Mayor Baines stated the buses that we are purchasing are handicapped accessible buses. Why don't you explain a little bit about our goals to get all of the transit buses in the City to be handicapped accessible?

Mr. Smith stated at the beginning of last year 14 of 16 of our buses had exceeded their federal estimated useful lives. Last year the Board of Mayor and Aldermen approved the

purchase of two buses and three buses in the current year. As well, three buses are proposed for next year and we propose three a year for a span of four years to replace the remaining 12 that still need to be replaced.

Alderman Gatsas asked if this Board so chose to deduct \$100,000 from your proposed budget this evening would that impact federal funds.

Mr. Smith answered yes. The local money is matched by federal money so if there were a requirement to operate with \$100,000 less of City income that would also mean that we would lose \$100,000 of federal match and it would mean a \$200,000 service impact.

On motion of Alderman DeVries, duly seconded by Alderman Shea it was voted to receive and file the MTA Commission minutes, and financial and ridership reports.

Report of Committee on Human Resources

I. Advising that it has approved Ordinance:

“Amending Sections 33.024, 33.025 & 33.026 (Marketing and Retention Specialist) of the Code of Ordinances of the City of Manchester.”

providing for the establishment of a new class specification, Marketing and Retention Specialist, and is recommending same be referred to the Committee on Bills on Second Reading for technical review.

Alderman Shea stated at a recent Human Resource Committee meeting a decision was made to hire a Marketing and Retention Specialist and I would move to amend that report to include the adoption of the staffing structure as recommended by the Mayor in his letter of May 3, 2005. The Economic Development Office will then consist of the Director, the Destination Coordinator, the Marketing & Retention Specialist and an Administrative Assistant. I would like to make that effective at the start of the new Economic Development Director’s tenure.

Mayor Baines asked so do we vote on the amendment first.

Deputy City Clerk Johnson answered it is my understanding that he wants to amend the report to include what he just stated. We would need a second.

Alderman DeVries duly seconded the motion. Mayor Baines called for a vote. There being none opposed, the motion carried.

Deputy City Clerk Johnson asked could we get a motion to accept the report as amended.

On motion of Alderman Shea, duly seconded by Alderman DeVries it was voted to accept the report of the Committee on Human Resources as amended.

Report of Committee on Human Resources

- K.** Recommending that an Administrative Assistant II position, salary grade 13, in the Planning Department be reclassified to a Planning Technician, salary grade 14, effective July 1, 2005.

Alderman Garrity stated I was opposed in Committee so I just wanted to be recorded as opposed to this report.

Alderman Lopez moved to accept, receive and adopt the report of the Committee on Human Resources. Alderman Shea duly seconded the motion. The motion carried with Aldermen Gatsas and Garrity being duly recorded in opposition.

Report of Committee on Joint School Buildings

- O.** Advising that they have approved the expenditure of up to \$87,000 from the School Facilities Improvement Project contingency fund for the architectural and structural plans for Beech Street Elementary School wall design.

Alderman Osborne asked can I have somebody on Joint School Buildings update me a little bit on this Beech Street School project.

Alderman DeVries stated on Item O and I believe also Item P what you are looking at is going to be only the architectural and engineering planning phase to accomplish the design work to put the structural walls in place to separate out individual classrooms as opposed to the open concept that they have in place today. What you are going to see is after they have the total design in place, which will include some initial costing, the School Facilities Committee will make the decision for their priorities based on the available contingency funds at that point in time and that would be the contingency of the Joint School project, the design-build.

Alderman Osborne asked what do you think the timeframe would be.

Alderman DeVries answered I believe they thought it was going to be September before the design work was complete and they were reporting back. That is my recollection. Alderman Roy may have an update on that.

Alderman Roy stated I think Alderman DeVries covered it. We are looking at September or the beginning of October before the design work is done. The School Board would have to take action in their Building & Sites Committee and bring it back to Joint Schools for funding but the problem has been recognized and we are just trying to fast track the design work.

Alderman Gatsas asked can one of the members of that Committee tell me how much is left in the contingency account because this is \$600,000 in these four items we have before us.

Mayor Baines asked do we have the figure on that.

Alderman Roy answered I can pull it up if you give me a minute. I believe it is \$3.1 million.

Alderman Gatsas asked the balance that is left.

Mayor Baines stated we will get the accurate number for you.

Alderman Gatsas stated my concern your Honor is that these things are coming in and I don't know what position the completion of that project is in. I would hope to think that we just aren't depleting the contingency in case there is a problem in the next six months and there is nothing there to take care of it because I don't believe that when this Board voted for contingency in that project that it was going to be piece meal out this way. I don't have a problem with the project but I would think that before we move forward with these projects we make sure that the other one is completed.

Mayor Baines replied we are and that is why we have such a strong committee both on the City side and School side to take a look at that.

Alderman Shea stated I hate to say I told you so but when we were discussing the school funding project I explained to you that there wasn't enough emphasis on the elementary school level and now it is coming back to roost. At a recent School Board meeting it was discussed that they are going to need some money – millions of dollars, to build a new elementary school somewhere possibly in the inner City and we spent money to put a garage at Central High School to the tune of about \$5 or \$6 million and at the time I indicated to this Board that money would be better spent by providing the elementary school students with the type of facilities that they needed and having been in the elementary I realized what the problems were – namely the open concept. As the principal of Hallsville I had 95 children from out of district from different schools that had open concept where their parents preferred for them not to go. So forewarned at that time should have been forearmed but it was not adhered to. I thank you, your Honor, for letting me mention that.

On motion of Alderman DeVries, duly seconded by Alderman Thibault it was voted to accept, receive and adopt the report of the Joint School Buildings Committee.

On motion of Alderman Lopez, duly seconded by Alderman Sysyn it was voted to recess the regular meeting to allow the Committee on Bills on Second Reading to meet.

Mayor Baines called the meeting back to order.

A report of the Committee on Bills on Second Reading was presented recommending that Ordinances:

“Amending Sections 33.024, 33.025 & 33.026 (Marketing and Retention Specialist) of the Code of Ordinances of the City of Manchester.”

“Amending Sections 33.024, 33.025 & 33.026 (Public Health Dental Assistant) of the Code of Ordinances of the City of Manchester.”

ought to pass.

On motion of Alderman Lopez, duly seconded by Alderman DeVries it was voted to accept, receive and adopt the report of the Committee on Bills on Second Reading.

On motion of Alderman Roy, duly seconded by Alderman DeVries it was voted to suspend the rules and place the Ordinances on their final reading by titles only without referral to the Committee on Accounts, Enrollment & Revenue Administration.

Ordinances:

“Amending Sections 33.024, 33.025 & 33.026 (Marketing and Retention Specialist) of the Code of Ordinances of the City of Manchester.”

“Amending Sections 33.024, 33.025 & 33.026 (Public Health Dental Assistant) of the Code of Ordinances of the City of Manchester.”

On motion of Alderman Forest, duly seconded by Alderman Osborne it was voted to read the Ordinances by title only, and it was so done.

These ordinances having had their final presentation, Alderman Thibault moved on passing same to be Ordained. Alderman DeVries duly seconded the motion. There being none opposed the motion carried.

Nominations to be presented by Mayor Baines, if available.

Board of Fire Commission

Donna Soucy, to succeed herself, term to expire May 1, 2008.

This nomination was to lay over to the next meeting.

Confirmation of the nomination of Peter Escalera as a member of the Manchester Transit Authority Commission to fill the unexpired term of Eugene E. Boisvert, term to expire May 2009.

On motion of Alderman Lopez, duly seconded by Alderman Gatsas it was voted to confirm the nomination of Peter Escalera to fill the unexpired term of Eugene E. Boisvert to the Manchester Transit Authority, term to expire May 2009.

Mayor Baines stated I would like to thank Alderman Lopez for this nomination. As I said earlier we had a meeting at the Minority Health Coalition to really talk about issues reflecting the immigrants and refugees. You are going to be a great addition to the Commission and we will be honored to serve with you.

Confirmation of the nomination of Signe A. McQuaid as a member of the Board of Registrars to succeed Barbara Arnold, term to expire May 1, 2008.

On motion of Alderman Roy, duly seconded by Alderman Smith it was voted to confirm the nomination of Signe A. McQuaid to succeed Barbara Arnold to the Board of Registrars term to expire May 1, 2008.

Confirmation of the nomination of William F. Houghton, Jr. as a member of the Highway Commission to succeed William F. Kelley, term to expire January 15, 2008.

On motion of Alderman Garrity, duly seconded by Alderman Shea it was voted to confirm the nomination as presented.

Confirmation of nominations to the Planning Board as follows:
Peter Capano to succeed himself, term to expire May 1, 2008;
Todd Connors to succeed himself, term to expire May 1, 2008;
Raymond Clement to succeed himself, term to expire May 1, 2008;
David B. Eaton to fill the unexpired term of Harold Sullivan, term to expire May 1, 2007; and
Harold Sullivan to succeed Peter Sorrentino, term to expire May 1, 2008.

On motion of Alderman Thibault, duly seconded by Alderman Roy it was voted to confirm all the above nominations to the Planning Board as presented.

Confirmation of the appointment of Paul Borek as the Economic Development Director, effective on or about July 11, 2005.

Alderman Shea moved to confirm the nomination of Paul Borek as the Economic Development Director on or about July 11, 2005. Alderman Thibault duly seconded the motion. Alderman Gatsas requested a roll call vote. Aldermen Gatsas and Osborne voted nay. Aldermen Guinta, Sysyn, Porter, O'Neil, Lopez, Shea, DeVries, Garrity, Smith, Thibault, Forest and Roy voted yea. The motion carried.

Mayor Baines stated this is a very exciting day for those of us who have worked very hard to bring you here to the City and provide leadership in this very critical area of our City government. I want to congratulate you on this vote and ask you say a few words.

Paul Borek, Economic Development Director, stated thank you. I appreciate your support and I look forward to taking the helm as soon as possible and moving Manchester to the next level of success and economic prosperity. I am very impressed with the community and with

those of you who I have met and I look forward to this opportunity. Manchester is a great city with a bright future ahead of it and I am pleased to play a big part in that.

Mayor Baines stated I would like to thank the members of the Board. This was a long road and we worked very hard to bring this about. I want to especially thank the Aldermen who took many occasions to come into my office over the past several weeks and months to really talk about the future of economic development in the City. The talks were stimulating and very exciting for those of us who believe that the future of our great City really lies ahead. Paul has had a chance to go around the City and experience what has happened. I want to personally thank the members of the Board who have committed with us in this resounding vote of confidence. It means a lot not only to me but to the citizens of the City of Manchester.

Deputy City Clerk Johnson stated could we delay Item 15 and take up an item of new business relating to 628 Hanover Street.

Mayor Baines so concurred.

Deputy City Clerk Johnson advised the Chairman of the Lands and Buildings Committee was contacted. Southern NH Services, who is here with representatives this evening, were previously awarded a purchase and sales agreement by the Board of Mayor and Aldermen and there was an ordinance adopted that had authorized disposition of 628 Hanover Street. My understanding in the process of the closing the HUD funding is requiring that the City remove its reverter clause in the ordinance that was originally adopted and in addition it is our understanding that while the City was in the process of taking the property back on taxes Water Works had placed a lien on the property so there is a new ordinance before you which would in essence repeal the reverter clause that was required and would also allow that \$1,100 from the sales price be paid off to Water Works. Atty. Bauer is here and I believe Mr. O'Shea is here and they could address it further if you wish your Honor.

Mayor Baines asked so we should recess this meeting and go back to the Bills on Second Reading meeting.

Deputy City Clerk Johnson stated I think perhaps you want to get it referred to Bills on Second Reading first because it hasn't been.

On motion of Alderman Roy, duly seconded by Alderman DeVries it was voted to refer this matter inclusive of the Ordinance to the Committee on Bills on Second Reading.

On motion of Alderman Garrity, duly seconded by Alderman Thibault it was voted to recess the meeting to allow the Committee on Bills on Second Reading to meet.

Mayor Baines called the meeting back to order.

A report of the Committee on Bills on Second Reading was presented recommending that an Ordinance:

“Repealing an Ordinance adopted May 20, 2003 and Authorizing the Mayor to Dispose of Certain Tax Deeded Property Known as 628 Hanover Street, Map 314, Lot 37.”

ought to pass and further that the rules be suspended and it be placed on its final reading this evening.

On motion of Alderman O'Neil, duly seconded by Alderman DeVries it was voted to accept, receive and adopt the report of the Committee on Bills on Second Reading as presented.

On motion of Alderman Roy, duly seconded by Alderman DeVries it was unanimously voted to suspend the rules and place the Ordinance on its third and final reading without referral to the Committee on Accounts, Enrollment and Revenue Administration.

“Repealing an Ordinance adopted May 20, 2003 and Authorizing the Mayor to Dispose of Certain Tax Deeded Property Known as 628 Hanover Street, Map 314, Lot 37.”

On motion of Alderman Smith, duly seconded by Alderman Garrity it was voted that the Ordinance be Ordained.

A report of the Committee on Community Improvement was presented recommending that the Board authorize acceptance and expenditure of funds in the amount of \$350,000 for the FY2005 CIP 811705, MCAM Public Access Grant Project.

Alderman O'Neil moved to accept, receive and adopt the report of the Committee on Community Improvement. Alderman Roy duly seconded the motion. The motion carried with Alderman Gatsas being duly recorded in opposition.

A report of the Committee on Community Improvement was presented recommending that the Board amend the FY1999 and 2005 Community Improvement Program transferring, authorizing and appropriating funds in the amount of \$22,000 for FY2005 CIP 711805 Snow Emergency Strobe Lighting Pilot Project, and for such purpose resolutions and budget authorizations are submitted for referral to the Committee on Finance.

On motion of Alderman Osborne, duly seconded by Alderman Sysyn it was voted to accept, receive and adopt the report of the Committee on Community Improvement.

A report of the Committee on Community Improvement was presented recommending that a Resolution:

“Approving the Community Improvement Program for 2006, Raising and Appropriating Monies Therefore, and Authorizing Implementation of Said Program.”

be amended by eliminating \$8,000 from Child Health Services (Table 2 CDBG) and transferring that to NH Minority Health Coalition Project and eliminating \$8,000 from the NH Minority Health Coalition Project (Table 3 Cash) and transferring that to Child Health Services

On motion of Alderman O'Neil, duly seconded by Alderman Shea it was voted to accept, receive and adopt the report of the Committee on Community Improvement.

On motion of Alderman Thibault, duly seconded by Alderman DeVries it was voted to recess the regular meeting to allow the Committee on Finance to meet.

Mayor Baines called the meeting back to order.

OTHER BUSINESS

A report of the Committee on Finance was presented recommending, after due and careful consideration, that Resolutions:

“Amending the FY2001 & FY2005 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Three Hundred Fifty Thousand Dollars (\$350,000) for the FY2005 CIP 81705 MCAM Public Access Grant Project.”

“Authorizing the Finance Officer to Make Certain Budgetary Closings for the Year 2005.”

“Amending the FY1999 and 2005 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Twenty Two Thousand Dollars (\$22,000) for the 2005 CIP 711805 Snow Emergency Strobe Lighting Pilot Project.”

“Authorizing the Finance Officer to effect a transfer of Twenty Two Thousand Dollars (\$22,000.00) for the 2005 CIP 711805 Snow Emergency Strobe Lighting Pilot Project.”

ought to pass and be enrolled.

Alderman Smith moved to accept, receive and adopt the report. Alderman O'Neil duly seconded the motion. Mayor Baines called for a vote. The motion carried with Alderman Forest being duly recorded in opposition to the Strobe Lighting and Alderman Gatsas being duly recorded in opposition to MCAM.

Communication from Leo Bernier, City Clerk, requesting authorization to apply for a \$7,337 NH State Library Conservation Grant to fund the restoration of early records of the Town and City of Manchester (1836-1847).

On motion of Alderman Sysyn, duly seconded by Alderman Porter it was voted to approve the request and authorize the City Clerk to apply for a NH State Library Conservation Grant.

Communication from William Sanders, Chief Financial Officer of the Manchester School District, seeking authorization to enter into a Purchase and Sale Agreement dated April 20, 2005 between the Manchester School District and the Estate of Richard Chretien for the purpose of real estate at 1015 Merrill Street.

Alderman Shea moved to authorize the Manchester School District to enter into a Purchase and Sales Agreement with the Estate of Richard Chretien for real estate at 1015 Merrill Street. Alderman DeVries duly seconded the motion.

Alderman Roy stated a number of years ago I served as Vice-Chair of the School Facilities Committee that was put together by the School Board and yourself and it recommended a long term plan of establishing real estate purchases around our schools for things like parks so I would like to commend the School Administration that is in our balcony this evening for going forward with that and starting to purchase and look at buildings around our schools for the betterment of our schools and our school children. They have my compliments and I will vote strongly in favor of this.

Alderman Shea stated I just want to mention that I have been in touch with the constituent who lives next door and I have been in touch with Bill Sanders at the School Department and they are going to do all they can to make sure that the property rights of that particular individual are respected so that it does not adversely affect the financial situation of that particular person. I appreciate the cooperation that was given to me by Mr. Sanders. Right away he responded and he said he would be in touch with the constituent so I appreciate that.

Alderman Gatsas stated I am not opposed to this. I assume that these funds are coming from the appropriation of funds they have within their budget so if that surplus that we were looking at is \$1 million this just would have been additional dollars that they are spending on the purchase.

Mayor Baines responded yes.

Alderman Porter asked is that property vacant at the present time.

Alderman Shea answered yes it is vacant except for the fact that the relatives of that particular person may come back to check on it.

Alderman Porter asked is it an estate.

Alderman Shea answered yes.

Alderman Porter asked has anyone checked if the taxes and everything have been paid. I am only bringing this up because we had a situation years ago where it created a problem because a few of these things weren't addressed before the purchase and it went to the Board

of Tax and Land Appeals and it was a real mess. I just want to make sure...I am sure everybody will do their due diligence but I would just like to ask that up front. At any rate before the closing that would be...

Bill Sanders, Manchester School District, stated the taxes were paid through December. The next tax payment, I think, is due in the end of June and that would be part of it.

Mayor Baines called for a vote on the motion to authorize the Manchester School District to enter into a Purchase and Sales Agreement with the Estate of Richard Chretien for real estate at 1015 Merrill Street. There being none opposed, the motion carried.

Ordinances:

“Amending Section 33.026 (Animal Control Officer I and Animal Control Officer II) of the Code of Ordinances of the City of Manchester.”

“Amending Section 33.026 (Planner I) of the Code of Ordinances of the City of Manchester.”

On motion of Alderman Osborne, duly seconded by Alderman Garrity it was voted to read the Ordinances by title only, and it was so done.

These Ordinances having had the approval of the Human Resources Committee, Alderman Forest moved on passing same to be Ordained. Alderman Sysyn duly seconded the motion. There being none opposed, the motion carried.

Appropriating Resolution:

“Amending ‘A Resolution providing for supplemental appropriations to the Manchester Airport Authority from Special Airport Revenue Funds for Fiscal Year 2005 in the amount of \$4,500,000’ to \$10,000,000.”

On motion of Alderman O'Neil, duly seconded by Alderman Lopez it was voted to read the Appropriating Resolution by title only, and it was so done.

On motion of Alderman Thibault, duly seconded by Alderman Sysyn it was voted that the Appropriating Resolution pass and be Enrolled.

Appropriating Resolution:

“Amending ‘A Resolution appropriating to the Manchester Airport Authority the sum of \$57,057,100 from Special Airport Revenue Funds for Fiscal Year 2006’ to \$47,057,100.”

On motion of Alderman O'Neil, duly seconded by Alderman Smith it was voted to read the Appropriating Resolution by title only, and it was so done.

On motion of Alderman Smith, duly seconded by Alderman DeVries it was voted that the Appropriating Resolution pass and be Enrolled.

Appropriating Resolution:

“A Resolution appropriating the sum of \$15,184,335 from Sewer User Rental Charges to the Environmental Protection Division for Fiscal Year 2006.”

On motion of Alderman O'Neil, duly seconded by Alderman Thibault it was voted to read the Appropriating Resolution by title only, and it was so done.

On motion of Alderman Shea, duly seconded by Alderman Roy it was voted that the Appropriating Resolution pass and be Enrolled.

Appropriating Resolution:

“A Resolution appropriating to the Manchester Transit Authority the sum of \$1,074,691 for the Fiscal Year 2006.”

On motion of Alderman O'Neil, duly seconded by Alderman Gatsas it was voted to read the Appropriating Resolution by title only, and it was so done.

Alderman Thibault moved that the Appropriating Resolution pass and be Enrolled.

Alderman Forest duly seconded the motion.

Alderman Gatsas stated there is no question that we have a contentious situation in Concord about education funding. I think that last year I brought to this Board's attention that we shouldn't pass a budget before we got that number. We received that number 24 hours later. I think it was not a responsible situation and I am not saying what everybody is doing in Concord is responsible but there is nothing...I think we all understand how the votes are going to appear this evening. It is not a secret. I could probably write it on a piece of paper. I think it is obvious that those votes are not going to change today, tomorrow or next week but I think it is a responsibility that we owe to the taxpayers of this City to see that we buy as much time as we can buy before we pass these budgets and put ourselves in a detrimental position because I would hate to see us come up with a budget solution in Concord and all of the sudden we are missing \$4 million in what we assume we are going to get. I don't believe there is anything that is going to be etched in stone until something is concluded in Concord. I understand when we look at the budget that we have until the second Tuesday in June by the ordinance and by the charter to bring forward a responsible budget. I think it is important that we take every opportunity that we can that reflects the best interest of the taxpayers of this City. I hope we don't fall into the same trap that we fell into last year because I would think that we would learn from our past experience. Again, as I said your Honor I don't think the votes are going to change from tonight until June 6 and I don't think...obviously

the School District has not pink slipped anybody so they are not concerned with what their budget is going to come in at.

Mayor Baines stated we are talking about the appropriation for the Transit Authority.

Alderman Gatsas responded I am talking in general, your Honor. If you want me to have that conversation with every one than we can filibuster it and make that attempt for you. Certainly I would accommodate you in any way you would like this evening. With that being said I think when you start talking about \$240 million in spending we should take the time and make sure that we go forward because I think, your Honor, if you want me to place an amendment on the table as I did last time with this resolution...I understood what the vote was and I don't have a problem doing that but I think the responsible thing to do would be to lay these things on the table. With that, I am going to make a motion to table it so that we can take it up at an appropriate time so that we understand that what is happening in Concord has a serious, serious impact on this City last year.

Alderman Guinta duly seconded the motion to table. Alderman O'Neil requested a roll call vote. Aldermen O'Neil, Lopez, Shea, DeVries, Smith, Thibault, Forest, Roy, Sysyn, Osborne and Porter voted nay. Aldermen Garrity, Gatsas, and Guinta voted yea. The motion failed.

Mayor Baines called for a vote on the motion that the Appropriating Resolution pass and be Enrolled. The motion carried with Aldermen Gatsas, Guinta and Garrity being duly recorded in opposition.

Appropriating Resolution:

“A Resolution appropriating to the Manchester School District the sum of \$142,203,719 for the Fiscal Year 2006.”

On motion of Alderman O'Neil, duly seconded by Alderman Thibault it was voted to read the Appropriating Resolution by title only, and it was so done.

Alderman Lopez moved that the Appropriating Resolution pass and be Enrolled. Alderman Smith duly seconded the motion.

Alderman Lopez stated I believe that this has been talked about regarding the surplus fund that they have over there and understanding that they are going to spend some of the surplus fund. I think we have a duty, we have a responsibility to the children. We had 19 or 20 of them here tonight. We owe them an obligation and a responsibility to make sure that the education that we have created in the City of Manchester moves forward in an uninterrupted way. I fully understand what Alderman Gatsas has indicated about the educational funding but that is not going to stop the City of Manchester. Every city in the state has already adopted their budget for the schools and it will affect a lot of cities and towns at the same

time. No matter what happens over there we are going to educate our kids. That is our responsibility. We will find ways. We did it last year and we can do it again. I think it is very important after listening to the conversations that have come before this Board that it is a reasonable budget and we should move forward for 2006.

Alderman Shea stated this evening we heard from one of the School Board members indicating that there is a surplus of about \$1.1 million. In discussions at the School Board meetings there have been needs addressed at least from the point of view of certain members and I would like the Board members to consider a reduction of the \$142,203,719 to \$141,723,719, which would reduce the budget by about \$480,000. If, in fact, the members of the School Board decide to use the money that they deem necessary at this stage, it would be a wash in terms of the tax rate in my judgement because they could spend that money for certain needs. They can't spend all of the money for certain things but they could spend certain monies and traditionally your Honor if you remember when we were part of Henry McLaughlin's tenure he used to do the same thing at the end of the school year. He would come to the principals and say look let's spend the money because we can buy things that would benefit children at this stage of the game. I would just put this out for the members of this particular body and if they wish they can agree with this or if they wish to follow Alderman Lopez's design that is fine and I commend him for his work as well.

Alderman Guinta asked is that an amendment.

Mayor Baines answered he didn't make a motion.

Alderman Shea stated I will make a motion later on.

Alderman Guinta asked would it be appropriate then at this time if I have an amendment to this.

Mayor Baines answered yes. This is just the School District now.

Alderman Guinta stated so I have an amendment then for the School side and I have an amendment for the City side and you would like me to discuss them separately.

Mayor Baines responded yes. We are just dealing with the School budget right now.

Alderman Guinta stated the amendment I have, your Honor, is from the \$142,203,719 to \$141,253,719. Alderman Garrity duly seconded the motion.

Alderman Guinta stated that amendment represents a roughly \$950,000 between your request, your Honor...at the last meeting we had an amendment that came from Alderman Gatsas and I think Alderman DeVries mentioned that the numbers were fairly close.

Alderman Gatsas' number and I think the number that was proposed by you. I think in the spirit of cooperation and trying to identify a number that both meets the needs of the community and the students and the administrators but also respects the fact that taxes unfortunately have been raised every year and have been raised in the last three 16%, I do want to amend this number, which would reflect an overall tax cut for the City if the other side is adopted at just over a 1% cut. What this number represents, your Honor, is an overall increase from the FY05 appropriation and I believe it does fulfill what the School District had asked for with close to 25 new positions. I do know that it appears that there are six School Board members who would support adopting a number in the range that I or Alderman Shea is offering. I would offer that amendment but I also agree with Alderman Gatsas and believe that as a Board any number that is proposed this evening should be tabled so that we can receive the education adequacy number. I really don't want to make the mistake that this Board made last year. It had a colossal effect on the tax rate. I think that last year's increase was 5.7% or somewhere in that range and I really don't want to see that happen again. There have been reports out of Concord that the House number was underfunded so the Senate now has the dubious distinction of trying to identify additional revenues. That is a great concern of mine and I know it is a great concern of yours, your Honor and the members of this Board. I would reiterate the request that Alderman Gatsas made that any budget that is offered this evening whether it is the Mayor's or Alderman Shea's or Alderman Lopez's or my own that we table all of them until one of two things happen. We get the adequacy number from the State of NH or we come up on the deadline by which the charter requires us to pass the budget.

Alderman O'Neil stated I have a couple of things. Number one the Mayor's recommendation of \$142,203,719 is \$2 million lower than the approved budget of the School Board. Is that correct?

Mayor Baines replied that is correct.

Alderman O'Neil stated so they are not getting everything they want or need so I think Alderman Guinta's number being lower is going to make the situation worse there. Having served in the State Senate and having had conversations with members of both parties in both legislative bodies up there, we are only kidding ourselves if we think they are going to have something approved by the second Tuesday in June. I, for one, am not going to sit here and be held hostage by the State of NH. That is how I feel that cities like Manchester and Nashua get treated in this process. I am going to call the question and ask for a roll call and I would like to start with me on the amendment.

Alderman DeVries duly seconded the motion to call the question.

Mayor Baines called for a vote on calling the question. The motion carried with Aldermen Gatsas, Guinta and Garrity being duly recorded in opposition.

Alderman O'Neil asked for a roll call vote on the amendment.

Alderman Gatsas moved to table. Alderman Guinta duly seconded the motion.

Alderman Lopez asked what is the motion.

Mayor Baines answered it is on tabling the Appropriating Resolution.

Mayor Baines called for a vote on the motion to table.

Alderman Guinta requested a roll call vote.

Mayor Baines responded no I am calling for a vote and you can be recorded in opposition.

Mayor Baines called for a voice vote. The motion failed.

Mayor Baines turned to the Clerk for clarification of the current motion.

Deputy City Clerk Johnson stated the main motion on the floor now is to amend the resolution to \$141,253,719.

Mayor Baines asked and that is Alderman Guinta's motion.

Deputy City Clerk Johnson answered yes it is.

Alderman Lopez stated maybe Alderman Guinta can explain just a little bit better so I can understand what he is doing here. The revenue aspect of the School District was \$22 million under the Mayor's budget and yours is \$24 million. Could you explain your revenue number so that I have a complete understanding of what you are doing? I didn't have an opportunity to review any of these.

Alderman Guinta responded the Bedford payment represents \$4.4 million. I believe that if that money is not going to be spent in this year's budget it should be returned to the taxpayers so \$1.8 million is identified. It has to be identified in the revenue column because it is considered by the School District as a revenue from Bedford. I am including...the only revenue projection change is that \$1.8 million, which instead of using it in future years it is returned to the taxpayer, which adjusts the total revenue number up to \$24,368,298.

Alderman Lopez stated the other question I have is for the Finance Officer in reference to that \$2 million and at the same time could you explain the fund balance on the school side and what they could use that money for versus what they need.

Randy Sherman, Deputy Finance Officer, replied as far as the Bedford dollars that are coming in to pay off the debt service my only concern there and I apologize to Alderman Guinta because I didn't think of this until Brad Cook brought it up this evening is that you wouldn't be allowed to use more dollars from the sending towns than you actually have for debt service on the school bond. Tonight I cannot give you the answer on whether this additional \$1.8 million would actually put you over the total debt service. Maybe Mr. Sanders has that number more readily at hand. I hate to put him on the spot. The second question again having to do with fund balance, in discussions that we have had with certain School Board members and administrative personnel is that their fund balance that they anticipated on the appropriation side was in excess of the \$1,050,000 that the Mayor has included in his budget. Knowing that that number was higher, I believe that they had planned on using some of those dollars this year during the balance of the school year. Those dollars can obviously be used for anything that they can purchase by the end of June. Those dollars cannot be used for any expense that they would incur from July forward. Again, they could use it if they wanted to go out and buy equipment or they wanted to buy textbooks. That would be fine but they certainly couldn't prepay tuition payments or pay for the bus or pay teachers or Public Service. So those dollars while I am sure they could find some purposes to use those dollars this year, I think their option was better to hold it until next year and buy stuff then.

Alderman Lopez stated I have another question before Mr. Sanders answers the previous question. When did you see these numbers that you can't answer the question?

Mr. Sherman responded last week I met several times with Alderman Guinta. We had several phone calls and several face-to-face meetings. I have actually been out of town since Friday until about 5 PM this evening. I did not see these numbers until I came in tonight. Again, we did have several discussions last week.

Alderman Lopez asked in reference to revenue and the bond.

Mr. Sherman answered in reference to the revenue as well but until Mr. Cook brought that issue up tonight I had not even thought that those dollars might put us over the total debt service.

Mayor Baines stated the other thing is that I have had conversations with both the Finance Officer and the Deputy about that money and both of them have strongly recommended that the money not be spent because of the hole it creates. When you use money like that \$2 million next year you have to count on it for revenue and now you have a \$4 million hole that is going to put the taxpayers and the School District in serious problems as the Bedford students withdraw from the District.

Mr. Sanders stated for FY2006 the debt service on the design-build in the School District budget is \$8.2 million. In our current revenue we have included about \$5.3 million. That takes into account some of the Bedford money, Hooksett, Candia and Auburn money and some state building aid next year. The total is \$5.3 million. So there would be room to take the \$1.8 million that Alderman Guinta suggested and put it in our revenues and we would have sufficient space in our debt service number.

Mayor Baines asked what would that do going forward.

Mr. Sanders answered under the original School District plan we would expect to close this year or close next year if I can go all the way to 2006 with \$4 million left for future years 2007 and 2008. Alderman Guinta's plan I thought was \$2 million when I came here tonight but I now realize it is \$1.8 million. Alderman Guinta's would reduce that \$4 million to \$2.2 million that would be available for future years. It is really a question of do you want to use it all now or save it for future contingencies.

Mayor Baines responded I need to know and we have had conversations about this during the budget process, what that would do in the years going out for the hole that the District is going to have to try to fill as these students exit.

Mr. Sanders replied well certainly under Alderman Guinta's proposal this year we would be using \$4.6 million for 2006 of Bedford money and we would close next year with only \$2 million left for the remaining seven years. It would almost eliminate it entirely in the future so we would have to find some other place to find that \$4.8 million in future years.

Alderman Roy stated Alderman O'Neil made the comment about not being held hostage to Concord and I have an extreme problem moving forward with this budget but I have a larger problem with the fact that every other town that surrounds Manchester is out hiring teachers right now because their budgets are settled. We have a number of teachers and I know Ellen Healy is in the audience and she is on our list of retirees in the future. We have made a commitment to education in this City and if we keep putting off our decisions we put off our hiring and I am tired of seeing every other sending town or every town around us hiring the cream of the crop whether it is coming out of college or moving through their degree programs or moving within schools. As much as I agree that things may change in Concord, I would look forward to getting this done so that we can let our education professionals move forward and hire the cream of the crop instead of waiting until June or July when everyone is on their summer vacations. I would ask this Board that we move this along and send a message to Concord to fund us at least at the current level if not better.

Alderman Guinta stated I want to make a couple of points. First, Bill I believe it would leave \$2.2 million. We are talking about using \$1.8 million.

Mr. Sanders responded that is correct.

Alderman Guinta stated and Mayor you asked the question if we use this money today to reduce the tax rate what is the long-term impact. We are talking about \$1.8 million. I think if we continue on the spending cycle that the City has been under in the last six years then you are absolutely correct. We will have a big gap to fill. However, if we start to change the process and recognize that spending should be curbed and actually move forward with a tax cut you are going to see a slower rate of growth and spending over the years and we can make up that difference. I have talked to the Finance Department about that and they do agree with that philosophy. I think we are talking about two circumstances. Again, if you are spending at a higher rate than you can afford then you are absolutely right. That balance will be depreciated or reduced to zero very quickly but if we start to be fiscally responsible and spend less money and return money to the taxpayer then we should find that additional \$1.8 million in probably a one month cycle. The second point I would like to make is Alderman O'Neil and Alderman Roy make very good points about the City of Manchester being held hostage in its budgeting process and I would submit that that is the perfect reason for this Board to start considering two things – zero based budgeting and a bi-annual budget process so that we can achieve long term efficiencies and plan properly so that we can start hiring teachers earlier in the year. That is what we should be doing but we are not doing it.

Mayor Baines replied first of all I appreciate your comments. Secondly, this Board has no authority to set revenues for the School District as you know. The only organization that can set revenues for the School District is the School District. We have no authority. I have no authority and you have no authority. All recommendations from Finance are against that approach because it was set aside so the debt could be paid off over a period of time. Taking that money...I don't think the School Board is going to do it number one and secondly they would be fiscally irresponsible doing it because it would break the tenance of the whole process of that money being available to pay that debt over a period of time. That will dig a hole despite what you just said because of the tuition situation, which I don't think some people are grasping how that is going to work. I know how it is going to work. We have worked with the Finance Department on this issue with our budget and with projected revenues.

Alderman Lopez stated I need clarification from the Finance Officer. Alderman Guinta stated that you agree with him. Could you explain what you agreed to please?

Alderman Guinta asked are you asking me.

Mayor Baines answered he is asking Mr. Sherman if he agrees with this approach. He told me yesterday he didn't so...

Mr. Sherman interjected I think we are talking about two different things. One we strongly disagree with drawing down the Bedford money sooner rather than later. The initial intent when we entered into that three year agreement when we got them paying at \$10 million was to make that \$10 million last for 10 years that the \$10 million was calculated on. If you take it now it just creates a problem next year. We have had the same discussion when we have talked fund balances and everything else. It is a one-time source and by using it it will cause a problem. What Alderman Guinta and I also discussed is we do have the issue about Bedford building their own high school and there is going to be a gap in the tuition revenue coming forward. So the School Department...what we did agree on is that the School Department needs to start now to develop a plan on how it is going to fill that revenue hole or somehow reduce the expenditure so when those Bedford students do leave that again we don't have this major rate shock because I believe their tuition is \$5 million give or take. So that is going to be an even bigger hit and what we didn't want to see happen was a big hit with the tuition and a big hit with the capital dollars coming all at the same time.

Alderman Shea stated in the discussion of this item I would like to know and I am very concerned about the bond rating that we would have if, in fact, we decided to alter our fund balance in that regard. Randy, could you comment on that please?

Mr. Sherman responded the bond documents on this deal require that the dollars coming from the sending towns be used to pay the debt service, which was the issue that Brad Cook brought up and that is why I wanted to make sure that if we were using this additional \$1.8 million it was less than the total debt service because if it was higher then in essence you were using those dollars for something else. As far as an impact on the City's bond rating, it is probably minimal. You are using those revenues for the purpose that they were intended for. Again, they are concerned that you can make those payments going forward. You are a strong Double A and I don't think that would...

Alderman Shea interjected so you don't think it would impact our bond rating either way. Thank you.

Alderman DeVries stated I just don't want us in this discussion about the utilization of the Bedford monies to lose track of another piece that was offered us in the amendment and that was to reduce the school budget by \$950,000. I just don't understand the common sense when today we have potentially \$1 million...well actually they are early in their budget closure and usually that number grows going forward to June 30 so it may be potentially more but \$950,000 is going to reduce the tax rate less than receiving the surplus of \$1 million back on the City side. If we accept the reduction of that budget to the \$950,000, obviously they will go ahead and spend the surplus they have, which will help us reduce the tax rate. What are we going to get for the expenditure? I think we already heard some testimony. If they do spend the end of year appropriation, the surplus, we get incidental items that weren't necessary earlier in the year. If we do put the \$1 million into the budget

for next year maybe we can accomplish some of the things I hear about from my constituents like teacher hires, taking care of the buildings that we just put the \$105 million into. It just doesn't make sense to me and I would advise my colleagues not to work in that direction.

Mayor Baines stated that is the motion that is on the floor. To close out the discussion on revenues, the revenues will be certified with the Department of Revenue Administration in November or the end of October.

Alderman Gatsas stated my first question...I guess what we were discussing is the proposed amendment by Alderman Guinta and we will be taking a vote on that amendment before we take the vote on the one on the floor. My position is no different than what it was on the last one. I applaud my colleague for bringing something forward. There is no question but I don't think at this point as I said your Honor and I have some questions because today I was told that in 2004 the revenues that were received by the School District were \$142 million and I looked at the sheet that was given to us some 30 days and the revenue on the sheet for 2004 only shows us \$127 million. Now I guess I have a question and I understand what you say that they have to authorize the revenues but when we are doing a budget I certainly believe that every one of us here should be entitled to the information and I as a Senator and being in Concord and having somebody say to me you are spending \$142 million in 2004 and I say no that is impossible because the total number for general fund revenues was \$127 million...I guess I look at Mr. Sanders because I have a rundown here of those numbers and how they total \$142 million and if we are going to be asked to make legitimate decisions on school budgets then I think we would have the other \$14 million somewhere before us to show us that it is revenue and where it is going. I understand what you said about certification, your Honor, but I think that we as a Board are owed an explanation about some 11% that there is no accounting for before us because it says here total state revenues, adequate education grant, school building aid, area vocational school, catastrophic aid. Then it says underneath that ROTC, Medicaid and total federal revenues. My understanding is there is another \$15 million in federal revenues that don't show here.

Mr. Sanders replied yes those are not general fund revenues that you are referring to. Those would be our federal grants primarily that we receive like Title I, Title IIA, so on and so forth that are outside of the general fund.

Alderman Gatsas asked is there a reason why that wouldn't be shown to us.

Mr. Sanders answered no. It is just not part of the general fund appropriation that you are approving. That is subject to our application for those grants and their ultimate award by Concord and Washington.

Mayor Baines stated we do approve a resolution to accept grants up to a certain amount of money. That is part of our approval process right Mr. Sherman.

Mr. Sherman stated those federal dollars are run through the CIP process during your CIP budget.

Alderman Gatsas replied with all due respect your Honor and we can flavor that to whatever we want to flavor it to but when you are talking about 11% of a budget that just for some reason isn't on a piece of paper because it is coming from somewhere else...obviously their expenditures for 2004 was \$142 million. I assume if I just carried the same \$15 million into FY06 the expenditures are close to \$160 million. I guess I would like as an Aldermen an explanation of where that \$15 million goes.

Mr. Sanders stated as Mr. Sherman said that is covered in the CIP area. I don't know what the grants are going to be for FY06. The awards have not yet been made but I would assume that the federal grants would again be in the \$10 to \$14 million range.

Alderman Gatsas asked what were the grants for FY05.

Mr. Sanders answered I don't know. I don't have that information with me.

Alderman Forest made a motion to move the question. Alderman O'Neil duly seconded the motion.

Alderman Gatsas stated I guess this Board doesn't feel that we should be entitled to know what those additional revenues are and what they are being expended on.

Mayor Baines asked Mr. MacKenzie could you attempt to clarify this one more time. Again, you have been here a long time Alderman and it is all under CIP.

Robert MacKenzie, Planning Director, stated there is proposed, which the Board would take an action on later, \$11 million in federal grants that come to the School Department. They do provide a breakdown to our staff and it is available to the Board as to how those will be used. Generally they are used for special education. That is the major source and the major expenditure of funds. The FY05 budget on that same item was \$10.4 million.

Alderman Roy stated I have asked for and gotten reports in the past from the School District regarding what they receive in grants and it is also openly discussed at their Finance Committee meetings so this isn't money that just isn't recorded anywhere it just doesn't come through this Board because we are not the appropriating agency. There are lengthy discussions on grants received and on a number of cases we have commended the schools about going after grants and federal funds that they receive and asked why are we not doing a better job on the City side. So these aren't funds that no one knows about. I think I received a report a month ago that was in the \$10 million range and it was probably 25 very

worthy programs. Some grants were small and some were very large but it was openly discussed.

Alderman Porter stated perhaps you could explain...I am looking at the Mayor's 2006 expenditure budget and the one submitted by Alderman Guinta. The numbers are identical. The totals are \$2.4 million in change off. Where is the \$2.4 million?

Mayor Baines responded we are only discussing the appropriation on the school side right now.

Mayor Baines called for a vote on moving the question. The motion carried with Aldermen Gatsas, Guinta and Garrity being duly recorded in opposition.

Mayor Baines called for a vote on Alderman Guinta's amendment and asked the Deputy Clerk to read the motion.

Deputy City Clerk Johnson stated the motion is to amend the appropriating resolution to \$141,253,719.

Alderman Guinta stated I have a technical question. Can we vote on this and if it passes can we then table it or if it passes does it become adopted?

Mayor Baines responded if it passes it passes.

Deputy City Clerk Johnson stated no you are just voting on the amendment right now.

Mayor Baines stated right I'm sorry and then the main motion comes back.

Alderman Guinta asked so if the amendment passes we then have a final adoption of the final number. So if I...I don't feel like we should be adopting any number this evening whether it is my number or your number.

Mayor Baines stated you will be okay because it will come back for another vote.

Deputy City Clerk Johnson stated you are just voting on the amendment now.

Alderman Guinta asked if it fails then we still have the regular...

Mayor Baines interjected then the main motion comes back on the floor.

Mayor Baines called for a vote. The motion failed.

Deputy City Clerk Johnson stated the motion on the floor now is that the resolution pass and be enrolled. It was moved by Alderman Lopez and seconded by Alderman Smith. I would point out that I believe Alderman Shea wanted to make an amendment as well.

Mayor Baines responded no he didn't. It was just a suggestion.

Alderman Shea moved to amend the appropriating resolution to \$141,723,719. That would allow the School District to use that extra \$480,000 for current needs that they may have. Alderman Osborne duly seconded the motion.

Alderman Gatsas moved to table.

Mayor Baines stated I am not accepting a motion to table. I am going to call for a vote on this amendment. The motion failed.

Deputy City Clerk Johnson stated the motion on the floor now, made by Alderman Lopez and seconded by Alderman Smith is that the resolution for \$142,203,719 pass and be Enrolled.

Alderman Gatsas moved to table. Alderman Garrity duly seconded the motion.

Mayor Baines requested a roll call vote on the motion to table. Aldermen Gatsas, Guinta and Garrity voted yea. Aldermen Sysyn, Osborne, Porter, O'Neil, Lopez, Shea, DeVries, Smith, Thibault, Forest and Roy voted nay. The motion failed.

Mayor Baines called for a vote on the main motion that the Resolution pass and be enrolled in the amount of \$142,203,719. The motion carried with Aldermen Gatsas, Guinta, Garrity and Shea being duly recorded in opposition.

Appropriating Resolution:

“A Resolution appropriating to the Manchester School Food and Nutrition Services Program the sum of \$5,512,450 from School Food and Nutrition Services Revenues for Fiscal Year 2006.”

On motion of Alderman Thibault, duly seconded by Alderman O'Neil it was voted to read the Appropriating Resolution by title only, and it was so done.

Alderman Osborne moved that the Appropriating Resolution pass and be Enrolled.

Alderman Thibault duly seconded the motion. Mayor Baines called for a vote. The motion carried with Alderman Gatsas being duly recorded in opposition.

Appropriating Resolution:

“A Resolution appropriating the sum of \$3,245,749 from Recreation User Charges to the Recreation Division for Fiscal Year 2006.”

On motion of Alderman Forest, duly seconded by Alderman O'Neil it was voted that the Appropriating Resolution be read by title only, and it was so done.

On motion of Alderman O'Neil, duly seconded by Alderman Forest it was voted that the Appropriating Resolution pass and be Enrolled. None were recorded in opposition.

Resolution:

“Establishing a Non-Capital Reserve Account pursuant to RSA 34:1-a.”

On motion of Alderman O'Neil, duly seconded by Alderman Thibault it was voted to read the Resolution by title only, and it was so done.

On motion of Alderman Lopez, duly seconded by Alderman Thibault it was voted that the Resolution pass and be Enrolled. None were recorded in opposition.

Appropriating Resolution:

“Raising Monies and Making Appropriations for the Fiscal Year 2006.”

On motion of Alderman O'Neil, duly seconded by Alderman Lopez it was voted to read the Appropriating Resolution by title only, and it was so done.

Alderman Lopez stated at this time I would like to make an amendment to the operating budget but first I would like to make the following statement. I would like to say that no one person on this Board can take credit for this budget. We worked together for the first time in the six years that I have been here. It was collaboration among all major Board members. Also it would be easy, very easy for any member of this Board to come in with a zero budget. Any one of us can do it. We must remember that we are running a City of over 100,000 people that we have responsibility to ensure that every citizen is provided with the services that are needed in this City and I am very strong on that. We talk about garbage. We talk about pick up. We talk about waste. We talk about fixing our roads. We talk about all kinds of things. Police and fire. We have made efforts to fund essential educational services for our children's education. It is our responsibility to continue to do so. We have suffered lack of funds in the number of years that I have been here. Department heads have suffered. They have managed. They have scrimped and saved as well as the taxpayer. The alternative approach of the use of the \$3 million windfall so to speak that we have this year

as to what we are going to do with it will lower the tax rate for the citizens, will fund high priority infrastructure repairs and will fund additional police officers to ensure public safety. We just passed recently a special fund for vehicles. This would put additional money in there for future years down the road. When other people are sitting here they will thank us for establishing that fund. It will take awhile because you have to remember that we have to replace all of our vehicles over a period of time and as the years move forward if we can find other money from other resources like selling property or whatever the case may be then we can put more money in there to pay cash for our vehicles. The fund that was established was a great fund. I think every Alderman on this Board agrees with that. With that, your Honor, I would ask the Clerk to pass out my amendment or I should say our amendment to your budget. I have highlighted in different colors so you can find things easier. I also want to say that my numbers have been verified with the Finance Officer. He agrees with my numbers and he can speak for himself later. Revenues. If you look at the revenue section I backed out \$234,000. That is for MCAM that we approved. I added additional revenue in red in the revenue column of \$37,250 to the Fire Department. In the expenditure column in working with the City Clerk there were items in his budget that were not funded such as police officers for the elections, etc. and I can give you a detailed breakdown on that. In the City Clerk's Office I added \$84,850 to their budget. In Human Resources...I sit on a Committee of people in the City who have tried to make communication with the City employees. There was no money in there for the City Matters newsletter. I think everybody knows what I am talking about. We added \$11,000 for City Matters. In the Tax Collector's Office they have a person retiring and other issues and they are the ones that collect the money and they are running 98% and they do an excellent job so I added \$15,000 for a part-time employee with no benefits. In the Parks Department we have Gill Stadium and West Memorial Field and Memorial Field and Livingston. They need maintenance equipment and they have appeared before this Board many times. This will take care of the maintenance of the parks so they have the right equipment to save time and money for the citizens of Manchester. They have to have the tools. Having the bodies are okay but you have to have the tools in order to do it. This will take care of that. The total is \$217,850, which is planned to be used from the \$3 million windfall and I will get to that in a minute. The Police Department...much discussion has taken place and we have had citizens come before the Board of Mayor and Aldermen many times to talk about crime rates and domestic violence. The Chief has informed this Board on many occasions of various things. We get a complete report from the Chief of Police on a monthly basis. I added \$120,000 to their budget. That is going to put one enforcement officer and three patrol officers in the Patrol Division over a period of time. In speaking with the Chief and knowing when these individuals could be certified and come aboard it probably won't be until August or October or somewhere around there depending on if they are lucky and get someone who is qualified and wants to move to Manchester. \$120,000 in his budget would take care of one new enforcement officer to work in the Traffic Division for speeding in the neighborhoods. That is a major concern for every Alderman in this City and citizens have called us many times. So that is the reason for that. That would be new money. With the \$217,000 and the \$120,000 that

will come to \$337,850 and as we go through the resolution I am sure the fine expertise of the City Clerk will guide us in the right terminology and where to put that. The notation I want to make in reference to MCTV is I didn't do anything with MCTV. There is \$458,665 for MCTV and again the Clerk will guide us when the time comes. We take \$116,000 from MCTV and transfer that to MCAM and in speaking to the Finance Officer that is no big thing and they know what to do over there administratively. We just have to do it because that is the agreement that we passed. If it is okay with you, your Honor, I am not giving up the floor but I would yield to the Chairman of CIP because he needs to add to this.

Alderman O'Neil stated the Clerk should have a handout that was prepared regarding CIP. I have tried to take the comments that I heard from my colleagues formally or informally and would recommend coming from \$3 million that has been used for the fiscal year conversion I would recommend we increase CIP Cash by \$400,000. We can either take it up now or take it up when we are in the...I think the very next agenda item is the CIP budget. Maybe Carol could give guidance on whether we need to go into details now or when we are addressing the CIP budget.

Deputy City Clerk Johnson stated it is my understanding that the total amount of changes to the Cash Table is \$400,000, which in essence is increasing the side of the operating budget resolution that is before you now and the total would be \$2,244,565, which is reflected on Alderman Lopez's handout. That was the reason you wanted this handout presented at this time was so you would know what that was going towards.

Alderman O'Neil stated that number is reflected in what Alderman Lopez handed out and we can take up the specifics as the next item or now if you would like.

Alderman Lopez stated I would like to explain the last part of it because we are talking about the \$3 million that everybody is talking about in everybody's budget here. We started with \$3 million in this special fund that the Finance Officer wanted to create. What we did was we subtracted out \$234,000 from revenue. That was in the City Clerk. We took the \$234,000 from the \$3 million and that left us with \$2,766,000. We subtracted \$617,850, which is the \$400,000 for CIP and \$217,850 in the operating budget. That gave you \$2,148,150. Then we took the \$148,150 and threw that into contingency bringing the contingency fund up to \$548,150 for FY06. We wanted to put more money in there because as everyone is aware we had a lot of snow this year and we had to give more money to the Highway Department. The remaining \$2 million in the account we are going to spend, if approved, \$750,000 on vehicles this year and \$250,000 on Information Systems. We can't even do checks the right way. We need to update their equipment. That leaves \$500,000 for tax relief and \$500,000 for the new fund that we established tonight. We will appropriate \$500,000 to be put into that fund to start that fund off on the right foot. The only comment I want to make is I heard give \$1 million back and give \$2 million back and I have had a lot of discussions with the other members of the Board who participated, which was a majority of

the Aldermen. We worked very hard. I think we worked very hard to put together a reasonable budget not only to give something to the taxpayers...we could give \$1 million back to the taxpayers very easily but let me assure you that we still have roads to fix in this City. Mr. Thomas has been before us so many times. Our roads are deplorable. I will tell you that I have had calls and I know you have had calls about the potholes. We can't continue to fix potholes in this City. As we go through the line items in CIP I am sure Alderman O'Neil will bring that up. We added money so we are giving \$1 million back to the taxpayers. We have to start taking care of our infrastructure and that is the bottom line.

Alderman Lopez moved to amend the resolution to \$116,682,519. Alderman Roy duly seconded the motion.

Alderman Thibault stated many of us Alderman had input into this budget here and I think that Alderman Lopez and Alderman O'Neil are being very modest. It was with their leadership that we have gotten to the numbers that Alderman Lopez just talked about and I certainly feel that they should be commended for their work.

Alderman Roy stated I would like to agree with the sentiments of my colleague from the West Side. We do have great leaders on this Board but getting back to the budget and the reason I seconded this is this is a very responsible budget. It touches on issues that we have been talking about for years on this Board. Though I have only been here for about 15 or 18 months we keep talking about the same things – infrastructure, paving, schools, police officers. I asked the Chief what his FBI complement was over a year ago and how we can start working to increase that. This budget is a 3.17%. It does not take away from our children. It does not take away from our services. It increases what we are delivering to the taxpayer. It would have been beautiful to come in with a 0% budget here but when we look at what we need to do in the future, the lower we keep cutting our budget – Frank Thomas' budget on snow removal and paving, Information Systems on services...we can't keep going backwards. We have to bite the bullet, take a 3.17% increase and go forward with providing the services that constituents of this City not only need but deserve.

Mayor Baines stated I want to repeat that we are not setting the tax rate. The tax rate will not be set until late October or early November by the Department of Revenue Administration. It is based on revenues and expenditures that are certified by the Mayor and Finance Officer.

Alderman Shea stated I concur with what is being said. Obviously this budget is a reflection of what the City needs. I am certainly totally in favor of this particular budget, most especially of course the resurfacing of highways, which Alderman Osborne has brought up and proposed to the CIP Committee and I want to commend him for that suggestion. I believe, your Honor, that when we use the money to help the citizens rather than saying we are going to reduce the tax rate, we are reducing the tax rate by causing citizens in this City to reap the benefits through the different projects that have been set aside here whether it be

reducing the speeding in certain neighborhoods, helping the Boys & Girl's Clubs, highway resurfacing, and chronic drain that is so necessary and using different funding on the other side for Parks & Recreation and particularly the Crystal Lake Master Plan which is sorely needed in the South end of the City, which we discussed at length and obviously Alderman DeVries is to be commended for supporting her constituents in that regard and Alderman Porter as well. As far as I am concerned, your Honor, this is a very reasonable budget and as you say and I think we all would concur that we can probably look at an increase lower than 3%. I believe when all of the chips are in for the final analysis we probably will come in at about 2.79% or so. That is what I think.

Alderman Gatsas stated I guess the question that I have and I am not going to yield the floor but the question I have is Alderman Lopez said that the majority of the Board met and I hope that was in public session because by law the right-to-know when you meet with a majority you are supposed to have it in public session. With that, I am glad to see that my colleague, Alderman Lopez, hasn't lost his appetite for spending because we have an opportunity to take that \$3 million and make an effect to the taxpayers who have been paying that bill because we asked for a conversion. Again, this budget like every other budget I said should be tabled. My colleague from Ward 1 says we are being held hostage. We are not being held hostage. We made a bad move last year. We held ourselves hostage. Communities in this state would love to be in the position that Manchester is in and have the opportunity to take a look at a responsible budget and bring it forward once they understood what the funding from the State of NH was going to be. We are in that opportunity and we are squandering an opportunity again. When we say we are being held hostage it is not being held hostage. We have time on our side and we should look at this as that being that. Time and opportunity and we shouldn't squander it. We shouldn't squander the taxpayer's money as we go forward. To increase contingency by \$187,000 to me is not the right thing to do but again as I said not having lost the appetite for spending that is a good thing.

Alderman Lopez stated I would like to respond since he used my name in his comments. You know what, Alderman. I probably agree with you. I hate to say that but I probably do agree with you but you know what? It is going to cost us more if we continue to wait and not take care of the infrastructure. That has been proven. It was proven when we voted for \$105 million to take care of the schools. Over the years we didn't put money into the schools and we didn't take care of them and now we have to take care of the elementary schools for another \$105 million. We keep talking about doing things. We spent \$4 million down at Livingston Park. We spent \$4 million at Memorial Field. What are we going to do? Not do any maintenance? You can say it is spending but I think it is responsible and your comment about a majority of the people meeting is not true. Meeting with one or two is not a majority of this Board. Talking about the budget and information from other Aldermen who had a lot to put into this budget...this is not my budget. This is a collective budget.

Mayor Baines stated I would like to focus...one of the things that I really get concerned about is when names are injected into discussions. I spoke about that on the School side. People can have differences of opinion. They need to be respected and we need to discuss the facts.

Alderman Gatsas stated just to remind my colleague, Alderman Lopez, we sat in a joint meeting with the School District when you and I were first elected on a school building construction project. I made a motion that evening to fund \$30 million to renovate schools. I didn't get a second from anyone on that Board. It took us three more years to get the bonding in place. I think the Mayor will recognize that because he wouldn't accept my motion that evening. I made that motion in front of both Boards when we were both together and I believe it was at the Historical Association. That is when I made that motion. It wasn't accepted so I didn't get a second. So I was looking forward to fixing schools three years before we did that project so I understand about kids and I understand about education but we have an opportunity this evening to lay these things on the table and responsibly wait two weeks to see if something does happen in Concord.

Alderman O'Neil stated a couple of things regarding the operating budget. I think some of the recommended changes to the departments such as City Clerk, Human Resources, Tax Collector and Parks & Recreation were to clarify some situations that they all had indicated some concerns with the budget that was presented. I think what is presented tonight addresses the concerns of those four departments. The extra money for the Police is to do speed enforcement in all 12 wards and we are talking about adding some overtime money so that speed enforcement can be done throughout the City in addition to that one officer. The officer that was here earlier this evening was commenting...I asked him where he worked before he came down here this evening and he was getting speeders on Lake Avenue coming down the hill. There is a need in all 12 wards in this City. Finally, I think the fact that there has been some serious discussion, especially in the last few weeks regarding additional police officers for the Patrol Division of the Police Department – not a new issue. This goes back years. I think Chief Jaskolka and his staff have tried to communicate with the Board about those needs. We are seeing that calls for service have greatly increased since last year. I think this is a step and hopefully a continuation of a program over the next many years that we do have police officers in this City. I think we are and I agree with Alderman Shea that we are giving back to the citizens of this City. Thank you.

Alderman Osborne stated while we are on the Police Department here and speeding, I think the Police Department should look forward to non-moving violations rather than moving violations. The monies for moving violations go to the state so we are not making a lot of money there. We have to be looking at non-moving violations, which are illegal parkers, which I see a lot of. There is an awful lot of money to be made out there.

Alderman Guinta stated I have a couple of questions your Honor and one for you. Is there an amendment on the table? Are you going to allow me the opportunity before this is voted on to present my budget as well?

Mayor Baines asked what would be the procedure if there is an amendment on the floor Tom. You can make a motion to amend the amendment and then we will vote on the motion to amend the amendment and if that fails then we will go back to the amended amendment. If that fails we will go back to the original appropriation. If you would like to make an amendment, this would be the time.

Alderman Guinta stated I have a follow-up question. Are you still going to be presenting your proposal for adding police?

Mayor Baines responded I am willing to talk about it but I will let you have the floor right now.

Alderman Guinta asked does Alderman Lopez have to accept an amendment.

Mayor Baines answered no.

Alderman Guinta stated I don't want to stop the discussion on Alderman Lopez's amendment.

Solicitor Clark stated as I understand it, Alderman Guinta would like to present some figures that are different than what Alderman Lopez is moving. He can make a motion to amend Alderman Lopez's motion by substituting his figures for the figures that Alderman Lopez suggested.

Mayor Baines asked Alderman Lopez doesn't have to accept it.

Solicitor Clark answered no. It is just a motion that the full Board votes up or down.

Mayor Baines stated go ahead Alderman Guinta. You have the floor.

Alderman Guinta stated before I offer that amendment I just want to get a clarification from Alderman Lopez on two line items. The contingency line item could you tell me what that increase represents and then could you break out again the \$3 million fiscal year conversion money and exactly where it is going just so I have it accurately.

Alderman Lopez replied we started with \$3 million. I subtracted out \$234,000 from the revenue for City Clerk because that is the money we have to give to MCAM that we agreed to to fund public access TV. The new number is \$2,766,000. I subtracted out \$617,850.

\$400,000 for CIP Cash (Table 3) and \$217,850 in the operating budget. That left me \$2,148,150. I took the \$148,150 and moved that to contingency. The contingency was \$400,000 and now it is \$548,150. With the remaining \$2 million in the account we will spend \$750,000 on new vehicles, \$250,000 on Information Systems, give the taxpayers \$500,000 back and leaving \$500,000 for the new fund that we approved tonight.

Alderman Guinta stated thank you for that clarification. Now I would like to offer my amendment. On a philosophical note I appreciate Alderman Lopez returning \$500,000 to the taxpayers but I have to respectfully disagree on the overall tax increase that he is proposing. I appreciate the effort that you are making. I do think that we need to continue talking about two things – strengthening public safety, both police and fire, and I do think we need to recognize that we should be returning money to the taxpayers. I certainly would agree with the \$500,000 that is being returned and I think I can do a little bit better on the police. What I would like to do is make an amendment to \$113,076,509. In the interest of time I will try to be very quick. I know that you handed out this budget to some Aldermen last night so I know they had an opportunity to take a look at it. Unfortunately not everybody got it last night because I planned on presenting it to the full Board this evening. I understand that a number of...I think all of the departments we asked to come to a meeting this afternoon to talk about this budget so I know in advance that you are concerned based on what the Mayor suggested, which is that this tax cut represents lay-offs. I am going to respectfully disagree with his comments to the department heads. I do appreciate the fact that the department heads have also agreed that there are efficiencies that we can achieve now and through the next year to try to return some money to the taxpayer. Every department head that I talked to last week and this week have all very happily said that they would like to participate in something called the Manchester Efficiency Program, which really tries to have a buy in process from the Aldermen and department heads to really get our hands around some of the inefficiencies that we are experiencing. That being said I will answer the question that Alderman Porter had brought up earlier. You said that the expenditures on my side are identical to the Mayors but the bottom line is different and that is correct. What I have done is taken the FY05 number and I have increased the spending by roughly .7%. I am asking department heads in FY06 to do the same thing that this Board asked the department heads to do last year and identify and achieve efficiencies. The department heads have again as I said said they would be very willing to look at that and to work with the Mayor and Aldermen to try to come up with those efficiencies. I think it is important that we recognize...again taxes have increased six times over six years. This is an additional proposal for a tax increase and it has been 16% in the last three years. Let's get a handle around the tax issue and the spending issue. I think just as important as Alderman Lopez talked about providing excellent City services I think he would add the word efficient and excellent City services. The number that I am proposing I believe does that and I appreciate the willingness of the department heads to work with me and the rest of the Aldermen in trying to achieve those efficiencies. Going down to the second portion, the non-departmental items, I have included...

Mayor Baines interjected would you allow just a clarification. This is just a factual question. So that number...so what you would do is you would have to deduct what percentage from every single department budget to accomplish that number?

Alderman Guinta stated the Manchester Efficiency Program that I talked about...

Mayor Baines interjected your number.

Alderman Guinta stated I am trying to answer the question your Honor.

Mayor Baines replied just tell me what the percentage is.

Alderman Guinta responded the Manchester Efficiency Program that the department heads have agreed to participate in would identify the savings. If you are asking me the difference between your number and my number, it is roughly \$2.4 million. It is roughly a 7.7% increase over the FY05 expenditure. I am asking the department heads and this Board to work collaboratively and identify efficiencies over the next 12 months. This Board asked the department heads to do that last year because of a mistake that this Board made in appropriating before the adequacy number was received. I have every faith in the department heads and the members of this Board when they are able to participate and work collaboratively they can come up with those efficiencies. They did it at your request last year and I think they can do it again this year.

Mayor Baines stated I have talked to the Finance Officer about this. You cannot adopt a budget with the line items accurately reflecting the numbers.

Alderman Guinta responded right which is why I am also advocating for tabling any proposal this evening. That is why I am advocating and supporting with a number of other Aldermen that we table everything this evening. For two reasons. Number one, we don't have the statewide adequacy grant number. Let's not make the same mistake twice. We can start working now tonight or tomorrow on identifying those efficiencies and we will certainly identify them through the 12 months. Now let me get to the departmental items.

Alderman Lopez stated I need clarification on a couple of things.

Mayor Baines asked Mr. Sherman let's just look at the Police Department number. Isn't it around 2.5% that we are talking? If it is .7%...what is the overall percentage of cuts that are proposed here? If you calculate 2.5% times the Police Department allocation that I proposed what is that?

Alderman Lopez answered \$537,000.

Mayor Baines stated again I am not trying to be difficult here but you are saying that the Police Department is going to find in their budget \$537,000 to cut or to manage over the year and also add police officers. Is that what you are asserting?

Alderman Guinta replied no. What I am asserting and I will reiterate it again is that the department heads can work collectively with the Aldermen to identify savings over the next 12 months. That is what I am saying.

Mayor Baines responded you can't do that in setting the tax rate just so you know that.

Alderman Guinta replied you said we are not setting the tax rate and that the DRA sets the tax rate in November. What I would like to do is present an alternative budget and an alternative philosophy of spending. We also, again, don't have to adopt anything this evening. We have until the second Tuesday in June. If I could continue...

Alderman Lopez interjected I would like some clarification. I am not cutting you off and I want to be courteous as much as possible but you made a statement that I need clarified. You are making a statement that the department heads are willing to work with you. The department heads have been willing to work with any Alderman here for the last six years that I have been here so the efficiencies and the policies that we implement that Alderman Shea brought forth with the last budget, they worked tirelessly to do but you have to remember we voted for contracts for the City and we have obligations and your Honor can some department head come up and defend...

Mayor Baines interjected what I would like to do is let Alderman Guinta finish his presentation and then if some department heads want to come up we can have them come up to respond to that but there are some serious budgetary issues here because you can't put forward a budget...you would have to just to make something very clear in order to adopt a budget you would have to subtract 2.5% from every department budget and every department head would have to establish spending levels on July 1 to reflect that \$2.5 million cut in order for us to cut spending. That is what we did last year. They actually took a cut in their appropriation and they had established spending levels at that cut. We originally set aside the account that is correct.

Alderman Guinta stated I will yield to Alderman Gatsas for a moment.

Alderman Gatsas stated we didn't do it in last year's budget. We spent it. We closed the meeting and you then said the alternative is we are going to reduce spending by 2%.

Mayor Baines responded that is what we did. We had them spend 2% less. I directed them to spend...

Alderman Gatsas interjected right but that was right after we passed the budget.

Mayor Baines responded that is correct and I directed them to spend at 2% less to establish their spending levels on July 1 to reflect that.

Alderman Gatsas stated so you can do that with Alderman Guinta's budget.

Mayor Baines replied they would have to be directed to spend at 2% less.

Alderman Gatsas responded and you could do that if you wanted to.

Mayor Baines stated yes you could direct them to do that and they can respond to how they would do that.

Alderman Guinta stated thank you Alderman for the clarification. Moving forward in the non-departmental items you might see that contingency has been increased to \$585,000 and I will explain how the breakout there works because I wanted to put in some specific changes and improvements to public safety in the City. Number one what I would do is level fund the contingency portion to the 2005 rate of \$150,000, which is a reduction from the Mayor's number of \$400,000 and then I would add \$250,000 in that line item for 10 new police officers to be hired staggered over FY06. We can accomplish 10 in that period of time. The additional \$50,000 would represent a study for a new police station. Moving on to the Fire Department, the two major requests of the Fire Department when I spoke with them was \$100,000 in rust repair, which has been zero funded in the FY06 proposal by the Mayor and I think it has been zero funded for a numbers of years beyond that. I am proposing that we do fund that at \$100,000. It is there number one need as I was told on Friday. Their second need is to fully fund protective equipment. It was funded in the Mayor's budget at a 50% level or roughly \$35,000. I have double it to their full request of \$70,000. That is also in the contingency number. Moving down on non-departmental items everything is the same until we get to the motorized equipment, which is the fiscal year conversion bond money that everyone is talking about. Again, what I have decided to do in the interest of trying to work with the Aldermen I recognize that everyone seems to agree that the \$1 million should be spent this year so I have acquiesced on that and I have kept the \$1 million in there - \$750,000 for equipment replacement and \$250,000 for Information Systems, which would address some of the needs Alderman Lopez that you had discussed regarding providing excellent and efficient City services. I do, however, take the \$2 million that is in proposed spending for the reserve account and do what I feel it's original intention was and return it to the taxpayer and that gets us down to the appropriation of \$113 million and with the school side a 1% tax cut.

Alderman Guinta moved to amend the amendment to \$113,076,509. Alderman Garrity duly seconded the motion.

Alderman O'Neil stated I just can't figure out...every department head I have spoken to and I am not sure I have talked to...I shouldn't say every department head but a majority of the department heads I have spoken to there isn't one that has said to me that there is any fat in the Mayor's budget. It is a tight budget to begin with. Most of the larger departments are going to have to manage through attrition throughout the year. I don't understand how we are going to be able to provide the same level of service with a two...is my math right, a \$2.4 million cut over and above the number the Mayor presented? I have department heads that have told me they are going to have a hard time living with the Mayor's number. The only way I see this happening...I don't see how we are not going to have a reduction or layoff with police officers and firefighters and people in Public Works. I don't know how we can even be considering that request and at the same time talking about new police officers and more teachers. It just doesn't add up. Alderman Shea was correct that it just doesn't add up.

Mayor Baines stated well there has to be truth in budgeting and the fact of the matter is with a \$537,000 cut in the Police Department you can't add any police officers. He is going to have to lay off police officers. We have already had conversations about that. The same with Highway and Fire. They have been working on efficiency programs since I have been Mayor and with the previous Mayor as well. The reality is that those numbers are layoffs clearly. There is no way to couch it. That is \$537,000 and he is going to have to start spending at that level and he has to anticipate the budget going forward so he can bring that savings over a 12 month period. Those are the facts.

Alderman Guinta asked may I respond to that your Honor.

Alderman Garrity stated if you are going to debate the issue your Honor you ought to step down.

Mayor Baines responded I am stating facts. I have the right to state facts.

Alderman Garrity stated I believe you are debating the issue.

Mayor Baines asked do I have the right to state facts, Mr. Clark.

Solicitor Clark answered you have the right to make comments and state facts.

Alderman Shea stated I must mention that the Board gave the Chairman of this particular Committee permission last year to ask the department heads to reduce their budgets by 2% and that was done at a meeting of this particular group. I want that clarified and made known. My point is that in the newspaper today there was a statement that I made, which I

will verify right now. Expenditures, your Honor, that you brought forth were \$96,200,412. With all due respect to the proposed budget by Alderman Guinta he has your same figures but he comes up with a figure of \$93,795,402. So my statement in the paper was correct that with all due respect what I mentioned to the Alderman was that if he prepared the expenditures predicated upon his 2.5% reduction I didn't know at the time because I thought it was 1% but certainly his figures for expenditures would have added up. I didn't mean any disrespect and I want that to be made known. I simply said to the reporter that obviously when you add a column of figures up and you come up with the different figures when you add them up there is an omission in terms of what the appropriate number should be. So I want that to be made clearly. I duly respect every member of this Board. I have tried as Chairman to treat everyone equally. I am sorry if those remarks came out wrong. I want to publicly apologize because I know that the Alderman in question can add and I just mention the fact that in this particular instance here there was a discrepancy. Thank you.

Alderman Guinta responded Alderman Shea I appreciate that. You are a true gentleman and I appreciate your consideration. We had a conversation last evening and I hope that we can continue through this budget process and work and try to do what we both feel...maybe we will get to a different number but I think at the end of the day we both agree that we should be efficient and we should respect the taxpayer and I appreciate your comments. One and I don't mean to go out of order your Honor but I asked Randy what the cut was...when you had issued the 2% cut last year for the FY05 it was a \$405,000 cut. Unfortunately the Board moved forward in adopting a number without having the actual revenue from the state adequacy grant. You are assigning an actual number in my budget, which you deem as a proposed cut from your number on Police. I think we are talking about a difference of opinion.

Alderman Gatsas stated I have two more questions. One of the Human Resources Director. In the fiscal year that we are in currently Ms. Lamberton the shortfall is going to be about \$1.6 million is that what I understand?

Virginia Lamberton, Human Resources Director, responded no. We are probably going to need to move at least \$750,000 from our healthcare contingency fund to pay.

Alderman Gatsas asked so \$750,000.

Ms. Lamberton answered I would guess about that much.

Alderman Gatsas asked Mr. Sherman, the contingency reserve account, depleting that by \$750,000 at the end of this year what would be the balance.

Mr. Sherman answered if you took \$750,000 it would be roughly around \$1.2 million.

Alderman Gatsas asked and if we are continuing...I would think that you may have two options. If we continue down the road that we are going with the claim status base that we are right now according to what the Human Resource Director has told us in her letter and also what Jack Sherry has told us in his reports that if we looked at the same amount going forward in FY06 what would the recommendation from the Finance Office be of the two choices to reduce at the end of 2006 to reduce the reserve account or to reduce the budget as we go forward this year? What would that recommendation be?

Mr. Sherman answered it would probably be a combination. We would try to make up as much of the health shortage as we could out of the other line items in the budget as we proceed and then anything after that that we couldn't make up from the other line items we would have to take out of the reserve.

Alderman Gatsas stated so what I understand is the Human Resources Director is assuming along with the expert that we pay as a consultant that there may be a \$1.6 million discrepancy or shortfall than we should be working right now in the line items to reduce those budget lines to accommodate for that \$1.6 million. Is that what your recommendation would be to this Board?

Mr. Sherman responded no our recommendation is to play out 2006. Again, we think that the 25% is extremely conservative or on the high side. I have never in all of my years here seen us go up 25% in one year in health insurance.

Alderman Gatsas stated I can only tell you that this Board member for at least the last six budgets has attempted to pull money out of that insurance reserve account to reduce taxes and vehemently the Finance Officer has always said no we need to have at least and correct me if I am wrong, 24% of what our liability is in a contingent reserve. That is what I have always been told for the six years that I have sat on this Board. Now all of the sudden somebody is telling me don't worry about it, let it go forward, it is okay. I think there is an inconsistency there. I think we need to be consistent as Finance Officers and we should be looking at this as cutting those departments to accommodate what the professional is telling us which is that we may see a shortfall. Now obviously the trend is up when you take a look at one month, March, and it is \$800,000+. That tendency is up and healthcare providers will tell you that when the tendency is up those claims are going to be coming in. For us to sit here and for the Finance Officer to tell me today that we don't have to worry about that reserve account when anytime any one of us have tried to get our fingers into it to reduce taxes and they have told us absolutely no way and now they tell us play out 2006 and if you are short \$1.6 million grab it out of there and if you are less than that...what happens if Ms. Lamberton is right? You are telling me \$1.2 million is left and what if the claims come in at \$2 million. Where do we get the balance?

Mr. Sherman stated it would have to come from your undesignated fund balance. What I would say...

Alderman Gatsas interjected could you say that again slowly.

Mr. Sherman stated it would have to come from your undesignated fund balance.

Alderman Gatsas asked and how much is in that.

Mr. Sherman answered right now about \$1.3 million.

Alderman Gatsas asked so if we don't start preparing ourselves for what those catastrophic situations may be we are just going to wait and have something happen and next May when we are sitting here we could be in a very big predicament.

Mr. Sherman stated what I would say Alderman is I know you have the report from HR that shows \$853,000. You have to understand though that that is the difference between what we have paid for premiums and what our actual costs are. That doesn't have a lot of relevance to what our budget is. What our budget is and what we have paid for premiums are not necessarily the same number. I know there is \$853,000 in what we have paid and what we have settled up at the end of the month but on a budgetary basis we are showing that we are probably only going to be a couple of hundred thousand dollars short this year. Again, we may be able to make that up through other line items and not tap the reserve at all. Again, going forward into next year the hope is...the thought is that that 25% is high and that we will be able to manage through it going forward. You are right. We clearly recommend that that reserve stay at 25% of the annual operating budget. That is where it should be. Right now it is at the max and if those reserves and worker's compensation and CGL the same thing they are continually going to go up or down based on the way your claims come in.

Alderman Gatsas stated with all due respect to the Finance Officer if the Human Resources Director is right and you are wrong we have a major problem.

Mayor Baines responded I am not sure he agrees with you but we will leave it at that.

Alderman Roy stated because of the hour that we are getting to I will try to keep this as brief as possible. Thank you, Chief, for staying in the hot seat for so long. I should have let you run earlier when you had the chance. Talking about specific numbers, we have been talking about increasing your complement. Your current complement is at 205?

John Jaskolka, Police Chief, responded correct.

Alderman Roy asked and right now you have three men who are on active duty.

Police Chief Jaskolka answered that is correct. I have one in Iraq and two here in the states and their 365 days don't start until their boot is down in Iraq.

Alderman Roy asked so effectively you are managing 202 right now.

Police Chief Jaskolka answered yes.

Alderman Roy asked based on the Mayor's budget, which was \$21,177,533 would you be able to sustain that complement.

Police Chief Jaskolka answered taking into consideration the three on active duty and the vacancies that are expected during the year all together it would be extremely tight.

Alderman Roy asked so taking Alderman Lopez's number that was presented this evening of \$21,297,533 or a \$120,000 increase and increasing your complement to 208 again would it be tight to manage that budget.

Police Chief Jaskolka answered that would be tight to manage also. Again, I would be looking at people leaving and then the complement going back down again. Right now we are trying to bring our complement up to where it should be and if we are going to add the extra officers work on that for the August police academy.

Alderman Roy asked in looking forward how many police officers do you project retiring in the next 12 months.

Police Chief Jaskolka answered looking at the numbers we have right now it could be between four and eight.

Alderman Roy asked is it safe to assume that any cut in your budget would decrease, not on paper your complement number but your active members of your force.

Police Chief Jaskolka answered yes.

Alderman Roy asked so yes any decrease from the \$21 million...

Police Chief Jaskolka interjected any decrease would not allow me to maintain the 208 complement.

Alderman Roy asked and even with the numbers projected it will be hard for you to manage that.

Police Chief Jaskolka answered yes it will.

Alderman Roy stated we have had a number of discussions over things that this budget does and when you look at the increase of what is projected and I know we don't set the tax rate and I honestly believe that we are not talking about the 3% on the bottom of the sheet. When it is all said and done we will be talking about a number hopefully much less but we have problems in this City that are not being addressed and every time we push them off whether it is police protection, infrastructure, fire protection, Highway Department funding for resurfacing...it affects our constituents. We had an incident that made the front page of the *Union Leader* where 140 windows were blown out by a BB gun or some other device. The Police Department affects property values. The Highway Department affects property values. We are going through a reassessment. If we do not fund what we need to and this is even less than what we should be funding to cover those numbers and increase our property values as of April 1 we have a reassessment. Steve Tellier has been working very hard on it with his department. We need to increase the quality of life in this City and any cuts will not get us there. We can talk about increasing police officers but if we don't fund them it is rhetoric, it is pointless and it is a waste of breath so I would ask to move this along. Let's get the numbers out there and let's vote on the amendment and let's settle our budget.

Mayor Baines stated I am going to take two more questions and then accept a motion to move the question.

Alderman Porter stated I just want to make a brief comment and I know that Alderman Guinta obviously did a lot of work in preparing this. I would just like to point something out. The three major departments – Fire, Police and Highway make up 65% of the expenditures. If the Police and Fire, which are safety departments and if the Highway Department, and we all need better roads. I have lived with Candia Road for a long time and fortunately that is under construction at this time and it is going to be a Godsend. If the major departments such as Police, Fire and Highway were not cut and I do believe that we are talking layoffs. If they were not touched that would mean the other departments that make up the other 35% would have to sustain a 7.1% reduction in their expenditures, which I think would cripple most departments. Thank you.

Alderman Lopez stated I have to say something about efficiencies. I agree with Alderman Guinta. We could do that as a Board of Mayor and Aldermen. The Chairman has the right to appoint another Committee with approval of the Board of Mayor and Aldermen and maybe we should have done that two years ago. We should have. The clarification I want to make here and if any department head disagrees with what I am going to say they can step up here. Any department head has been willing to work with any Alderman since I have been an Alderman. Any time I have a question or anything but when we say we are going to establish a Committee that is giving them more work and that is not the procedure. The procedure is the Mayor and the Board of Mayor and Aldermen can direct another Committee

and appoint another Committee but I just don't think that there is a department head out here that would not work with us. When the question is you will find efficiencies, I think you do that every day. If you disagree with me and you are telling Alderman Guinta something different I need to know that so that there is no doubt in my mind that I know that you will find efficiencies in your departments as much as possible. Maybe a Committee needs to be formed. Whatever the case may be. If there is any department that wants to disagree with what I am saying they can step forward.

Alderman Shea stated this has nothing to do with the budget, well it does indirectly but I am requesting that at the end of this fiscal year that the Finance Office submit to the Board of Mayor and Aldermen what the cost would be as far as the matter discussed by Alderman Gatsas so that we would be able to see whether or not we are able to use the funding that is set aside in the general budget or whether we are going to have to go into our reserve fund. If you could do that I would appreciate it very much and submit that to the Board so that we can have that type of information. Thank you.

Alderman Roy made a motion to move the question and asked the Clerk to read the amendment. Alderman Lopez duly seconded the motion. Mayor Baines called for a vote. There being none opposed, the motion carried.

Alderman Roy asked which amendment is currently on the floor.

Deputy City Clerk Johnson stated currently on the floor is the motion made by Alderman Guinta and seconded by Alderman Garrity to amend the motion by substituting \$113,076,509.

Alderman O'Neil requested a roll call vote.

Alderman Gatsas stated I have a parliamentary question. If we believe that we shouldn't be moving forward with a budget and we should lay it on the table wouldn't we vote at this point no?

Mayor Baines responded Alderman you have been around so long now that you can answer...you can talk to yourself and answer your own question.

Alderman Gatsas replied I would rather hear you tell me.

Alderman O'Neil asked so it is Alderman Guinta's amendment that is on the floor.

Mayor Baines answered that is correct.

Deputy City Clerk Johnson stated right now it is Alderman Guinta's amendment and it would amend the resolution to that number.

Mayor Baines called for a vote. Aldermen O'Neil, Lopez, Shea, DeVries, Smith, Thibault, Forest, Roy, Sysyn, Osborne and Porter voted nay. Aldermen Garrity, Gatsas and Guinta voted yea. The motion failed.

Mayor Baines asked so what is in the floor now. Alderman Lopez's amendment?

Deputy City Clerk Johnson answered the motion by Alderman Lopez seconded by Alderman Roy to amend the resolution to \$116,682,519. I would note that that would include changing some of the line items.

Alderman Gatsas moved to table. Alderman Garrity duly seconded the motion. Mayor Baines requested a roll call vote. Aldermen Gatsas, Guinta and Garrity voted yea. Alderman Sysyn, Osborne, Porter, O'Neil, Lopez, Shea, DeVries, Smith, Thibault, Forest and Roy voted nay. The motion failed.

Mayor Baines called for a roll call vote on the main motion to amend the resolution to \$116,682,519.

Alderman Guinta asked your Honor do you support the amendment by Alderman Lopez.

Mayor Baines answered I have already made my budget recommendations. It is now up to the Aldermen to vote. Call the roll please. Aldermen Roy, Sysyn, Osborne, Porter, O'Neil, Lopez, Shea, DeVries, Smith, Thibault, and Forest voted yea. Aldermen Gatsas, Guinta and Garrity voted nay. The motion carried.

Alderman Lopez moved that the resolution pass and be Enrolled as amended. Alderman Thibault duly seconded the motion. Mayor Baines called for a vote. The motion carried with Aldermen Gatsas, Guinta and Garrity being duly recorded in opposition.

Appropriating Resolution:

“Approving the Community Improvement Program for 2006, Raising and Appropriating Monies Therefore, and Authorizing Implementation of Said Program.”

On motion of Alderman Thibault, duly seconded by Alderman Sysyn it was voted to read the Appropriating Resolution by title only, and it was so done.

Deputy City Clerk Johnson stated we need a motion to amend the resolution. There are actually two amendments that were proposed. One was the CIP report for the \$8,000 that was the administrative changes. The second was presented by Alderman O'Neil. The motion on that would be to increase Table 3 – City Cash by \$400,000 to a total of \$2,244,565 as outlined in the handout substituting that number from \$1,844,565 in Paragraph 6 on Page 2 to the \$2,244,565 and also to change Table 1 – Federal, State and Other by increasing it by \$50,000 for the new project listed for a new total of \$68,126,268, which would also appear on Paragraph 3, Page 2, which was previously \$68,076,298. It would include both of the amendments that were just stated and also the \$8,000 amendments that were administrative changes as accepted in the report of the Committee on Community Improvement earlier.

Alderman O’Neil moved to amend the resolution as follows:

Amend Table 1, Federal, State and Other Funds

<i>By adding:</i>		
711406	Highway Department	\$50,000
	Downtown Miscellaneous Repairs	
	Central Business District Revitalization Funds (CBDRF)	
	(Total program funding \$75,000 - \$25,000/\$50,000 CBDRF)	
	Grand Total Table 1, Federal State & Other	\$68,126,298

Amend Table 2, CDBG-HOME

<i>By eliminating:</i>		
211506	Child Health Services	(-)\$8,000
	(Adding in Table 3)	
<i>By adding:</i>		
213406	NH Minority Health Coalition Project	\$8,000

Amend Table 3, City Cash

<i>By reducing:</i>		
213406	NH Minority Health Coalition Project	(-)\$8,000
	(New Cash Project Total \$11,000 – adding funds in Table 2)	
711406	Highway Department	(-)\$50,000
	Downtown Miscellaneous Repairs	
	(New Cash Project Total \$25,000 – adding funds in Table 1)	
<i>By adding:</i>		
211506	Child Health Services	\$8,000
410806	Police Department	\$40,000
	NH Speed Enforcement Program	
	Add funds for enforcement of speeding, noise, parking	
	(Combine with \$6,000 from State grant speed enforcement funds)	
	Total CIP project funding \$46,000 - \$6,000 State/\$40,000 City	
510906	Manchester Boys and Girls Club	\$ 5,000
	After School Program	
	Add funds to meet full program need	
	(New Program Total \$35,000)	

511306	Parks, Recreation & Cemetery Department Crystal Lake Master Plan/Design (Add as new project)	\$50,000
711106	Highway Department Annual ROW Maintenance (Resurfacing) Add funding (New Program Total \$850,000)	\$300,000
711306	Highway Department Chronic Drain Add funding (New Program total \$35,000)	\$25,000
712706	Highway Department Discretionary Sidewalk/Curb Program (Add as new project)	\$25,000
811106	Human Resources Employee Training & Development Add staff development funds (New Program Total \$37,000)	\$5,000
Grand Total Table 3, City Cash		\$2,244,565

and, further to amend Paragraph 3, Page 2 from \$68,076,298 to \$68,126,298 and amend Paragraph 6, Page 2 from \$1,844,565 to \$2,244,565.

Alderman Roy duly seconded the motion. Mayor Baines called for a vote. There being none opposed, the motion carried.

On motion of Alderman Thibault, duly seconded by Alderman Shea it was voted that the Appropriating Resolution pass and be Enrolled as amended.

Appropriating Resolution:

“Appropriating all Incremental Meals and Rooms Tax Revenue Received by the City in Fiscal Year 2006 and held in the Civic Center Fund, for the payment of the City’s Obligations in Said Fiscal Year Under the Financing Agreement.”

On motion of Alderman Forest, duly seconded by Alderman Roy it was voted to read the Appropriating Resolution by title only, and it was so done.

Alderman Thibault moved that the Appropriating Resolution pass and be Enrolled.

Alderman Sysyn duly seconded the motion.

Alderman Gatsas stated just for my own curiosity can the Finance Officer tell us how much is in there in excess of the civic center payment and where does that money show up in a line item in the budget.

Mr. Sherman responded it doesn’t show up in your budget. Are you asking how much of this year’s increment is going to pay debt service and how much is over that debt service?

Alderman Gatsas replied that is correct.

Mr. Sherman stated we are estimating probably about \$350,000 will be over and above the debt service and what that does is it goes into a debt service reserve fund. When those bonds were sold the Housing Authority actually purchased a surety bonds for the debt service reserve fund and that surety bond gets reduced every year by the excess that is transferred in and then ultimately the surety bond will go away and you will have a debt service reserve fund equal to the maximum annual debt service until those bonds are retired.

Alderman Gatsas stated you have to bring it to a third grade level because I don't understand what you just said.

Mr. Sherman responded what in essence you do is typically when you do a revenue bond you would borrow sufficient funds that would be set aside to a debt service reserve fund. In the event that there are insufficient revenues in any one-year to make the debt service payment the trustee would be able to tap into that reserve fund to pay the bondholders. With the civic center because of the maximum amount that was available to be bonded to build the facility, rather than fund the debt service reserve fund as part of the bond issue in essence what we did or what the Housing Authority did was purchase a surety bond, which in essence is a in basic terms I guess an insurance policy that if there are not sufficient revenues in any one year that insurer would make that debt service payment. Every year as you move this increment over to the trustee he pays the debt service and there is a little bit left over. He then takes that little bit that is left over every year and sets it aside in a debt service reserve fund and then goes over to the insurer at the surety bond and reduces the amount. So as your debt service reserve goes up your surety bond goes down. At some point the debt service reserve fund will be fully funded and the surety bond will be at zero.

Mayor Baines responded maybe we should go to Grade 2.

Alderman Gatsas stated we are going up to the 4th grade because I don't think anybody was under the understanding because we always thought that came directly back to the City so you need to show me some documents on when we voted on that because this Alderman was part of that first vote of the civic center and I don't remember that ever being part of the deal. So somebody needs to explain to me how that all of the sudden worked itself into the picture because my understanding was that if we received \$3.5 million from the state on our rooms and meals distribution that that portion would pay the debt and whatever was left was coming back to the City. Now if this excess has been going to some administrator somewhere to make sure that the surety bonds are paid, my understanding was that there was a premium paid on that debt service coverage so that if the rooms and meals money did not come to the City the City was absolutely protected. I didn't think we were protecting

ourselves with our own money. So somebody needs to get me to Grade 5 here so that I understand where those documents were and how they passed.

Mayor Baines stated why don't we do this. We will get that information out to the entire Board...

Alderman Gatsas interjected how much is in the fund.

Mr. Sherman responded I think the debt service reserve fund is roughly \$2.5 million.

Mayor Baines asked has this motion been seconded.

Deputy City Clerk Johnson answered we have a motion on the floor.

Mayor Baines called for a vote on the motion that the Appropriating Resolution pass and be Enrolled. There being none opposed, the motion carried.

Appropriating Resolution:

“A Resolution appropriating to the Manchester Aggregation Program the sum of \$834,682 from Aggregation Fees for the Fiscal Year 2006.”

On motion of Alderman Osborne, duly seconded by Alderman Thibault it was voted to read the Appropriating Resolution by title only, and it was so done.

Alderman Porter stated I don't want to go into any discussion about my thoughts on this. I think we are dealing with a program that is ultimately going to be eliminated but not this year. I would like to make a motion to amend the amount of monies where it says “expenditures exceeding a total of \$175,000 subject to approval by the Board of Mayor and Aldermen” to \$10,000.

Alderman Guinta duly seconded the motion.

Alderman Gatsas stated this would have been an appropriate time that that \$3 million that we just reflectively saved in the conversion funds that we could have gotten rid of this Manchester Aggregation nightmare. Once and for all we could have taken some of those monies appropriated and taken another \$500,000 and gotten rid of that nightmare so we don't continually see it because it has been around here for six years. I know that the Finance Office told us not to touch it this year. I am sure that was the next thing you were going to say to me. It would have been an opportunity to get rid of it because that nightmare has been keeping at least everybody on this Board awake.

Mayor Baines called for a vote on the amendment. There being none opposed, the motion carried.

Alderman Porter moved that the Appropriating Resolution pass and be Enrolled as amended. Alderman Roy duly seconded the motion.

Alderman Guinta stated for the salary and wages line item of \$251,224 who is that being paid to.

Mr. Sherman answered no one. The program has no employees.

Alderman Guinta asked wouldn't it be appropriate to reduce that to zero.

Mr. Sherman answered I think what you have by the amendment that Alderman Porter has brought in you have in essence capped all spending to \$10,000.

Alderman Guinta stated I would like to cap it again.

Mayor Baines responded that amendment has already passed.

Alderman Guinta replied so then it wouldn't hurt to amend the salary and wage line item down to zero or \$10,000.

Alderman Lopez stated I probably agree but I think the problem is the Finance Officer, I know, has been wanting to make a presentation to this and I think we ought to address that immediately after the next meeting so that we know exactly what we are going to do. That \$10,000 that Alderman Porter...we can put a restriction on them even spending that after as a directive. This is just to keep the fund and see what we are going to do with it because now that...Randy can you explain the details because I think it is important...the point I want to make is he has a presentation that he has been trying to get before this Board and hasn't been able to do it.

Mayor Baines stated let's schedule that. Let's vote on this tonight and we will schedule that and take action at that time.

Alderman Guinta stated again going back to earlier questions about where are we going to find the difference in our numbers, which my increase was smaller than yours there is \$251,224 already that we just identified this evening.

Mayor Baines responded no it has nothing to do...with all due respect this has nothing to do with the operating budget.

Mayor Baines called for a vote on the motion that the Appropriating Resolution pass and be Enrolled as amended. The motion carried with Aldermen Gatsas and Guinta being duly recorded in opposition.

Appropriating Resolution:

“Amending ‘A Resolution appropriating to the Central Business Service District the sum of \$225,000 from Central Business Service District Funds for Fiscal Year 2006’ to \$230,500.”

On motion of Alderman Garrity, duly seconded by Alderman Osborne it was voted to read the Appropriating Resolution by title only, and it was so done.

On motion of Alderman Forest, duly seconded by Alderman Shea it was voted that the Appropriating Resolution pass and be Enrolled. None were recorded in opposition.

Resolution:

“Continuation of the Central Business Service District.”

On motion of Alderman Roy, duly seconded by Alderman Smith it was voted to read the Resolution by title only, and it was so done.

On motion of Alderman Forest, duly seconded by Alderman DeVries it was voted that the Resolution pass and be Enrolled. None were recorded in opposition.

Resolutions:

“Amending the FY2001 & FY2005 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Three Hundred Fifty Thousand Dollars (\$350,000) for the FY2005 CIP 811705 MCAM Public Access Grant Project.”

“Authorizing the Finance Officer to Make Certain Budgetary Closings for the Year 2005.”

“Amending the FY1999 and 2005 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Twenty Two Thousand Dollars (\$22,000) for the 2005 CIP 711805 Snow Emergency Strobe Lighting Pilot Project.”

“Authorizing the Finance Officer to effect a transfer of Twenty Two Thousand Dollars (\$22,000.00) for the 2005 CIP 711805 Snow Emergency Strobe Lighting Pilot Project.”

On motion of Alderman Roy, duly seconded by Alderman Smith it was voted to read the Resolutions by title only, and it was so done.

Alderman Roy moved that the Resolutions pass and be Enrolled. Alderman Shea duly seconded the motion. Mayor Baines called for a vote. The motion carried with Alderman Forest being duly recorded in opposition to the strobe lighting project.

NEW BUSINESS

Alderman Garrity stated I would like to publicly thank our Building Commissioner. This past Saturday morning he spent three hours with Ward 9 residents on Fox Street dealing with a neighborhood issue and I appreciate him taking time out this weekend.

Alderman Shea stated as a member of the Refugee Resettlement Committee and Fred Rusczek is here this evening, I have prepared something for the members of the Board and I am not sure if they have received it. I didn't know if he wanted to make a comment about it.

Fred Rusczek, Health Director, stated as Alderman Shea has indicated the study committee around looking at refugees in Manchester has commenced its work. It held three meetings. The first meeting highlighting some of the service issues and needs of the primary City departments. The second meeting was around a presentation by the Office of Refugee Resettlement of the State Office of Energy and Planning and how the process works. We are moving along in the process and by August or so we will have a report with some recommendations on how to, as a community, make certain that we are meeting the needs of refugees as well as some recommendations for some issues that might come up.

Alderman Shea stated at the Police Commission meeting I would be remiss if I didn't mention the Safety Committee Meeting minutes and on Item 5 this was mentioned "Commissioner MacDonald advised that he is impressed with the resiliency of the men and women of the Police Department as many officers return to work immediately following injuries and did not require time off." I think that should be commended and the Chief should be commended for that. I didn't want that to go unnoticed.

Alderman Gatsas stated I am in receipt here from a letter from Jane Hills and I looked at it and I certainly respect her opinion and I think this Board needs to take the letter that she has sent every one of us into consideration because I don't think that being dealt the cards she was dealt was a fair situation. I think that is something that should be brought up to this Board very quickly. Reading this letter doesn't give me a comfort level of what we do to City employees. The other thing is I have given every Board member a copy of the education funding plan that I brought forward to the state today so I don't want you to think that people aren't working on it and anybody is going to be shortchanged but it is a work in progress. The amendment was presented today. It was presented in the Education Committee to a bill that came from the House that talked about the Department of Education having the ability to define adequacy. We were told at that point that it was not a germane

amendment. I think that will be left for discussion for when we bring it to the Senate floor. Again it is before you and certainly if you have questions feel free to call.

Alderman Gatsas moved to refer the letter from Jane Hills to the Committee on Human Resources.

Mayor Baines stated it is already to the Board. It is already with the Committee and it is a personnel matter.

There being no further business, on motion of Alderman Thibault, duly seconded by Alderman DeVries it was voted to adjourn.

A True Record. Attest.

City Clerk